Report

OF THE

ombay Chamber of Commerce

FOR THE YEAR 1940

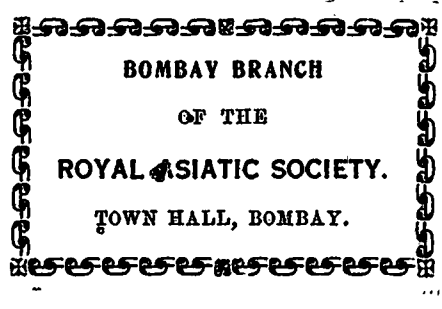
---

ablished 22nd September 1836)

corporated 18th June 1924)

BOMBAY
CLARIDGE AND CO., LTD.
1941.

00133620



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REPORT

OF THE

COMMITTEE

OF THE

Bombay Chamber of Commerce

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FOR THE YEAR 1940

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Presented to the Annual General Meeting held on 26th March 1941.

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200	0	0	20	0	0	1	4	0	9	0	0	0	12	0	Mail.	
									12	0	0	1	0	0	Inland.	
240	0	0	25	0	0	1	4	0	9	0	0	0	12	0	Mail.	
									12	0	0	1	0	0	Inland.	
250	0	0	25	0	0	3	2	0	12	0	0	1	0	0	Mail.	
									9	0	0	0	12	0	Inland.	
250	0	0	25	0	0	3	2	0	12	0	0	1	0	0	Mail.	
									9	0	0	0	12	0	Inland.	
40	0	0	4	0	0	1	8	0	2	0	0	0	3	0		
40	0	0	..			5	0	0	0	9	0	0	0	9		
40	0	0	..			5	0	0	0	9	0	0	0	9		
30	0	0	..			3	12	0	0	9	0	0	0	9		
80	0	0	..			7	8	0	0	9	0	0	0	9		
37	8	0	..			3	2	0	3	12	0	0	5	0	Mail.	
									2	4	0	0	3	0	Inland.	
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30	0	0	..			2	8	0	0	9	0	0	0	9		
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												0	1	3	Inland.	
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												0	0	6	Inland.	
..			..			15	0	0	..			1	0	0	Mail.	
												0	12	0	Inland.	
..			..			5	0	0	..			1	0	0	Mail.	
												1	0	0	Inland.	
..			..			5	0	0	..			0	4	0	Mail.	
												0	3	0	Inland.	

Bombay Chamber of Commerce.

ANNUAL GENERAL MEETING.

THE Annual General Meeting of the Members of the Bombay Chamber of Commerce was held in the rooms of the Chamber, Mackinnon Mackenzie and Company's Building, Ballard Estate, on Wednesday, 26th March 1941, at 11-30 a.m. to transact the following business :

1. To adopt the Report of the Committee of the Chamber for the year 1940.
2. To elect six ordinary members of the Committee of the Chamber for the year 1941-42 in accordance with the provisions of Article 41.
3. To appoint Auditors of the Chamber's Accounts for the year 1941, and to fix their remuneration.

Any other business that may be brought forward.

Mr. C. P. Bramble, M.L.A., President of the Chamber, presided and was supported by Mr. J. M. B. Gibbons (Vice-President), Messrs. R. W. Bullock, A. L. Hutson, A. McIntosh, G. H. Richmond, G. S. Taunton and D. D. Storrar, Members of the Committee.

Among those present were :—

His Excellency Sir Roger Lumley, G.C.I.E., T.D., Governor of Bombay ; Mr. J. B. Irwin, D.S.O., M.C., I.C.S., Secretary to the Governor, Mr. J. A. Madan, C.S.I., C.I.E., I.C.S. and Mr. C. H. Bristow, C.I.E., I.C.S., Advisers to H. E. the Governor; Major-General the Hon'ble T. P. P. Butler, D.S.O., G.O.C. Bombay District; Mr. G. F. S. Collins, C.S.I., C.I.E., O.B.E., I.C.S., Chief Secretary to the Government of Bombay; Mr. J. M. Sladen, I.C.S., Secretary to the Government of Bombay, Home Department ; Mr. P. N. Chandavarkar, Collector of Customs ; Mr. J. R. Trevor Booth, C.I.E., I.C.S., Postmaster-General ; Lt.-Col. G. W. Holland, Chief Censor, Bombay ; Mr. W. D. M. Clarke, H. M. Trade Commissioner ; Mr. F. A. Borissow,

Docks Manager, Bombay Port Trust; Mr. C. B. Cockaine, Honorary Secretary, European Association (Bombay Branch); Mr. V. N. Chandavarkar, Chairman, and Mr. T. Maloney, Secretary, Bombay Millowners' Association; Mr. M. S. Jayakar, C.I.E., Inspector, War Risks (Goods) Insurance, and Mr. P. S. Macdonald (of Thomas Duff & Co., Ltd., Calcutta).

The following members of the Chamber attended the meeting:—

Mr. G. A. H. Alexander ..	Alexander & Co.
„ C. F. Freeman ..	Andrew Yule & Co., Ltd.
„ L. A. Halsall ..	Anglo-Thai Corporation, Ltd.
„ H. L. Aspden ..	Aspdens, Ltd.
„ H. E. Ormerod ..	Associated Cement Companies, Ltd.
„ J. B. Murzban ..	Bell Russ & Co., Ltd.
„ Jal P. Eranee ..	
„ W. H. Jackson ..	Blackie & Son (India), Ltd.
„ L. F. H. Goodwin ..	The Bombay Company, Ltd.
„ Neville N. Wadia ..	Bombay Dyeing and Mfg. Co. Ltd.
„ A. S. Trollip ..	Bombay Electric Supply and Tramways Co., Ltd.
„ A. L. Guilford ..	
„ W. T. Lane	Bombay Gas Co., Ltd.
„ L. W. Boulter ..	
Sir Joseph Kay ..	W. H. Brady & Co., Ltd.
Mr. D. Moir	
„ A. W. Percy ..	Burmah-Shell Oil Storage and Distributing Co. of India, Ltd.
„ G. P. Pakenham-Walsh	
„ D. W. Mullock ..	
„ H. C. D. Irwin ..	
„ W. J. Burrows ..	W. J. Burrows.
„ David A. Telfer ..	Central Agency Ltd.
„ C. J. Schmuki ..	Ciba (India), Ltd.
„ C. W. Warrington ..	Cox & Kings (Agents), Ltd.
„ W. J. Wells	Cutler Palmer & Co.
„ J. G. Vecqueray ..	English Electric Co., Ltd.

Mr. B. J. Whitby ..	A. F. Ferguson & Co.
,, C. F. Morris ..	James Finlay & Co., Ltd.
,, J. L. Dickie	Gillanders Arbuthnot & Co.
,, T. Sinclair Kennedy	Glenfield & Kennedy, Ltd.
,, W. L. Clement ..	Grahams Trading Co. (India), Ltd.
,, H. G. Davies ..	Greaves Cotton & Co., Ltd.
,, F. Moore	W. T. Henley's Telegraph Works Co., Ltd.
,, M. H. Powell ..	Imperial Tobacco Co. of India, Ltd.
,, C. R. Palmer ..	International General Electric Co. (India), Ltd.
,, R. C. Giles	Killick Nixon & Co.
,, V. F. Noel Paton ..	
,, S. E. C. White ..	Lloyds Agency.
,, Wm. Keay	Mackinnon Mackenzie & Co.
,, R. E. A. Stovold ..	
,, Madhavlal M. Bhatt	Madhavlal & Co., Ltd.
,, G. W. Gosling ..	Martin & Harris, Ltd.
,, E. J. Spuhler ..	Nestle and Anglo-Swiss Condensed Milk (Export) Co., Ltd.
,, H. K. Tutton ..	Ormerods (India), Ltd.
,, A. Trevor Robinson .	Purdie & Co.
,, P. G. Valieri	Ralli Brothers, Ltd.
,, C. J. Damala ..	
,, J. Scott-Ferguson ..	Remington Rand, Inc.
,, F. S. Woodcock ..	Richardson & Cruddas.
,, C. R. Sharp	Sharp & Tannan.
,, B. R. Tannan ..	
,, C. A. Cunliffe ..	Shaw Wallace & Co.
,, L. Armstrong Smith	L. Armstrong Smith.
,, D. E. Gough ..	Society of Motor Manufacturers and Traders, Ltd.
,, H. Vogt	E. Spinner & Co.
,, K. T. Engineer ..	Stewarts and Lloyds of India, Ltd.

Mr. L. A. Stronach ..	L. A. Stronach & Co. (India), Ltd.
,, C. J. Bollins ..	Turner, Hoare & Co., Ltd.
,, W. L. A. Radcliffe ..	Turner Morrison & Co., Ltd.
,, C. O. Fountain ..	
,, R. Scherer	
,, A. Stiefel	Volkart Brothers.
,, F. Voellmy	
,, C. F. Buser	
,, F. H. Brinkhoff ..	
,, M. W. Gasser ..	
,, B. C. C. Olivier ..	Wallace & Co.
,, W. M. Martin ..	Wolverhampton Works Co., Ltd.
Sir Alexander Gray ..	Bank of India, Ltd.
Mr. D. Laidlaw	Chartered Bank of India, Australia and China.
,, G. Korts	Comptoir National d'Escompte de Paris.
Sir William Lamond ..	Imperial Bank of India.
Mr. A. McCulloch ..	
,, E. J. Dawson ..	
,, R. N. Drake ..	Mercantile Bank of India, Ltd.
,, L. Randall	Atlas Assurance Co., Ltd
,, W. Roberts	Commercial Union Assurance Co., Ltd.
,, A. S. Chadwick ..	Pearl Assurance Co., Ltd.
,, V. Corbett Wright ..	Royal Insurance Co., Ltd.
,, H. Chamberlain ..	Sun Life Assurance Co. of Canada.
,, C. R. Agar	Yorkshire Insurance Co., Ltd.
,, G. C. Laughton ..	B. B. & C. I. Railway Co.

Mr. C. H. Courthope-Munroe, Secretary, and Mr. H. Royal, M.B.E., Assistant Secretary of the Chamber.

The notice convening the meeting having been read, MR. C. P. BRAMBLE, in opening the proceedings, said :— Your Excellency and Gentlemen,—I rise to propose the adoption of the Report of the Bombay Chamber of

Commerce for the year 1940, but, before proceeding with that business, I would extend to you, Sir, and to all those other visitors with us to-day, a sincere welcome.

For the fourth time, gentlemen, His Excellency is present at our annual meeting. Since the first occasion, his status as constitutional head of a self-governing province has changed, for to-day he is an autocrat, exercising personally the legislative functions which he once shared with an Assembly and a Council. Despite the consequent increased pressure on his time he continues to be easily accessible ; and we are grateful for his interest in commercial problems and developments which necessarily loom larger to us than to him.

As His Excellency is the Government of the Province, I need not attempt an analysis of the relations of the Chamber with the Government ; but a consideration of the present constitutional position is important for other reasons. By the middle of next year the Provincial Legislative Assembly will have been in existence for five years. That means, as the law stands, that fresh elections will have to be held—albeit to an Assembly which is not functioning.

Possibly we should see returned to power a majority of legislators ready to work the present constitution. Satisfactory though that would be from many points of view, as a vindication of Democracy and as a humiliation of those who abdicated, I would for my own part regret it. In time of war the administrative government of the Provinces under Section 93 has much to commend it. It avoids the delays of popular government which are the greater where a bicameral system exists as it does in Bombay.

I will confess now to a first reaction of surprise eighteen months ago that the Government advisers should have been chosen exclusively from officials, but, on reflection, I realise that, in the absence of co-operation from the two largest political parties, any other selection would have been invidious.

The comparative freedom from legislation, either Provincial or Central, has been most welcome at a time when extraneous problems were incessantly presenting themselves to a commercial community much reduced in personnel. I have nothing more to say of politics except this: that the incentive to engage in trade to-day is in itself evidence that the present *satyagraha* movement will continue to be the gesture of a few who dare not ask the support of the majority for fear of being disappointed.

The improvement in trade is more real than apparent. I say this because the division of time into calendar years is an arbitrary device: and a review of what actually occurred within the 366 days of 1940 has but little significance unless the trend of events leading up to the period is appreciated. The whole is then important for what it presages for the future. It was possible for my predecessor, twelve months ago, to point to a year which began with a slight improvement in both imports and exports, culminating in a wave of speculation which carried commodity prices to an absurdly high level. 1940 began as 1939 ended, with hectic disregard of calculation. The one factor that could justify those prices then was absent, for the British Government had made it clear that inflation would be avoided as long as possible: and except in the case of jute, a monopoly crop, the extravagance of the rise lost us export trade.

By the time Mr. Hogg was addressing you, not only had the decline set in, but the efforts of labour to adjust its wages with the peak point reached by primary commodities had precipitated a strike in the textile industry.

The invasion of the Scandinavian countries in April and the alarming events of May and June lost us further markets to the extent of 450,000 bales for cotton and 200,000 tons for groundnuts: and the consequent panic caused India to sell its products to the remaining countries at unnecessarily low prices.

It only required the entry of Italy into the War—which mostly was still fought 4,000 miles away—and a display of official ineptitude arising out of the sinking of a 700-ton warship, to cause life-long traders to forsake their business and hide in the hinterland.

But at the end of the year a marked change of spirit had occurred. The fact that the United Kingdom would, and, with the help of the Empire, could continue the fight —without allies, if necessary—was gradually borne in on the consciousness of those whose very immunity from physical hurt might have induced in them a less pusillanimous attitude.

It had always been understood that, so long as the war continued, the opportunities for India to export manufactured goods, if not raw materials, would increase. And that promise was being fulfilled. The decision to hold the Eastern Group Conference in India was confirmation, if confirmation were needed, of India's importance in the Imperial scheme of things. And the arrival of the mission under Sir Alexander Roger brought to bear expert advice and criticism, from both of which the Department of Supply benefited. By the end of the year that Department had already placed enormous orders ; and the increased trade, chiefly in piece-goods with Africa, Australasia and markets still further afield, had already reached figures never before contemplated. This tendency will continue during the war because the British have command of the seas.

India's normal exports, raw materials, present a less glittering picture. Some markets were lost as soon as the War began, many others became inaccessible subsequently.

In the case of oilseeds, the collapse of France was particularly serious, for the French Government had been a heavy buyer. The British Ministry of Food took over the shipments in transit but had to withdraw from the market while absorbing the surplus. Towards the end of August the Ministry of Food resumed purchases from India's East Coast and later on from the West Coast. It was also announced

that bulk purchases of groundnuts and linseed would be made at fixed f.o.b. prices. On this, local prices improved, but it was obvious that the generosity of the British Government, who could only buy part of the crop, would little benefit the grower. In effect it merely guaranteed a profit to exporters who could buy in a generally depressed market and sell, to one customer at least, at a fixed price.

The position now is that the Government of India have under consideration the question of restricting the new crop. Against the cost of any such scheme the Government will be able to offset the abnormal profits made on exports to the United Kingdom.

The immediate outlook for cotton is more favourable than that for groundnuts but it may undergo a dramatic change. India's average commercial crop is six million bales of which almost exactly one-half is exported. Markets now inaccessible used to account for more than one million out of the three exported : but this excess may well be absorbed by greater takings on the part of the United Kingdom, Shanghai and above all India. The latest figures available, those for January indicate a rate of consumption of Indian cotton in India of well over three and a half million bales a year.

To my mind the position can be contemplated with equanimity if the present state of affairs continues : that is to say normal trade with Japan, China and the United Kingdom and abnormally good trade in India.

What is important, however, is that out of the two million or so bales expected to be shipped nearly one and a half million depend on continued trade with Japan and China. If for any reason those markets were suddenly eliminated the immediate result would be disastrous. A collapse in all commodities, led by cotton, would be followed by a loss of confidence generally. It is not for me to try to assess the chances of such a happening. But I do urge that the contingency, however remote, should be guarded against. It is something to know that the Indian Central Cotton

Committee has carefully considered the permanent aspect of this problem and done much to help matters, but the short-term view is hardly less important.

The cost of the remedy might conceivably amount to 10 crores of rupees. At this price any one of a variety of practicable schemes could be adopted, for it represents a dead loss on a quarter of the crop. But I suggest that this is not too high a figure for the Government of India—not necessarily to pay—but to be prepared to pay with the object of maintaining much of India's war effort unimpaired. It is only prudent to admit that the trading community in Bombay is not conspicuous for its stout-heartedness and here there would be justification at least for apprehension. Yet the income of the countryside depends on commodity prices as ruling in the terminal markets. Cloth too, and with that the livelihood of countless operatives is affected by the same consideration.

I am encouraged to hope that the Government of India will tackle this problem because it showed commendable enterprise in a not dissimilar matter, the compulsory insurance of goods on land. Although a number of commercial bodies had urged on Government the necessity of accepting a responsibility which ordinary insurance companies obviously could not shoulder, it was not until this Chamber had secured the support of the Millowners, the Indian Merchants' Chamber and the East India Cotton Association to a joint representation that the Government of India moved. Once started, however, it moved to some purpose, for within a remarkably short time the scheme was in operation at a not unreasonable cost to the merchants.

Government's experience has been such a happy one, in that a large premium income has been received and no claims paid, that a reduction in the rate was expected.

In the circumstances the recent announcement that it had been decided to double the premium is quite inexplicable.

There is one aspect of the National Service Advisory Committee's work which may properly be mentioned here. I mean the method of approach to the problem of conscripting their fellow-citizens.

Although they are possessed of extreme power the members of the Committee have necessarily had to feel their way. In theory the Adjutant-General asks for as many men as he wants and it is for the Committee to decide who can be spared, having regard to the exigencies of Commerce and Industry. But, be it noted, there is no offsetting demand by the Commerce Department to retain in civil employment as many men as possible. So, employers are interviewed; and it is left to the Committee to reconcile the conflicting claims of Commerce and of Military Service. The Committee's powers are never paraded. The natural willingness of firms to help (influenced, perhaps, by the difficulty of resisting their employee's desire to serve) has gone far towards making them unnecessary. When it is required, the Committee exert pressure by a combination of precept, persuasion, cajolery and only in the last resort coercion. This method takes time but it has the merit of working.

If there are any who would advocate a more arbitrary use of the powers vested in the Committee, I would remind them of the axiom that firms do not as a general rule overstaff their offices in India with European assistants. Another point to be remembered is that few of us know other people's business well enough to claim a paramount knowledge of their requirements.

I do not mention this apologetically, for Bombay's contribution in European man-power compares very favourably with that of any other part of India.

I mention it to explain why so large a number of interviews have taken place—in all they amount to nearly 2,000—and also because some publicity should be given to the extremely helpful attitude of firms in Bombay. If there are any employers who have adopted an intransigent attitude

in the belief that the Committee should ordinarily be driven to using their full powers, it is to be hoped that they will change their mind before the Committee have to change theirs.

In the matter of the A.F.I. the Committee have no authority. It will be recalled that at a meeting of employees held under the auspices of the Chamber it was unanimously resolved that European British subjects should as a general rule join the A.F.I. There has been some response to that resolution and it should be acknowledged that a lead has been given to others by a number of senior Government officials.

As President of this Chamber I have commented on the events of the last year as they affect Commerce and Industry. I believe that India will enter peace not only triumphant with the rest of the Empire, but—and in this respect she will be singular—richer as well.

As a citizen of this country I find it a comforting thought that India is too preoccupied to be a receptive ground for subversive propaganda.

But as an Englishman I am influenced by other considerations. It is an old criticism that we earn money in this country only to spend it elsewhere. There has been, of course, some foundation for this, although critics forget our needless expenditure in this country in supporting a high standard of living.

To-day the facts should be faced frankly. We are entitled to exploit to the utmost our position as invisible exports of the United Kingdom. Everything we can remit by way of gift or loan to the Government of the United Kingdom or even by way of deposit with a bank in those countries assists their war efforts.

For those living in the British Isles there is no individual choice. The collective will of the people imposes on all a reduced consumption of everything except necessities. They are not permitted to divert to domestic use the effort

that is required to produce munitions or articles for export. They have to submit to privations to the possible limit.

With us it is different. Our personal selection remains unfettered: and there is uncertainty how to exercise it. We are not helping by buying British goods if the alternative is to do without them and still pay for them—as it were—by gift or by loans. And certainly no benefit will accrue to the war effort if we buy Indian goods—unless the proceeds are devoted directly or indirectly to the prosecution of the war.

In stressing this point, I am not setting myself up as an authority. But it is important to cling to first principles and not to lose them among the advanced theories of economists. Nor am I advocating different courses for Europeans and for Indians although I naturally address my remarks to Indians with the greater diffidence. Yet the loss of the war would be as great a blow to India as to Britain if we are to judge by Germany's recent economic methods.

The small countries of Europe failed to act in concert and were lost. If the peoples of the British Commonwealth of Nations do not make their efforts simultaneously, victory will be delayed.

In its domestic affairs the Chamber has, like the mercantile houses whose business it facilitates, experienced vicissitudes of fortune. A decision by the authorities to prohibit the publication—even to our members—of any figures relating to exports threatened to increase the permanent loss on the Statistical Department almost to an amount which would have necessitated our closing it.

A subsequent amendment, however, made it possible to retain a good deal of the incomes usually received under this heading.

The Measurement Department, on the other hand, had, in the second half of the year, an accession of business arising from the increase in goods requiring to be weighed and

measured destined for Australia, Aden, East and West Africa and the Persian Gulf. The large revenue of Rs. 47,000 gross, that is before deducting any of the overheads which may properly be debited to the department, is thus fortuitous.

An unfortunate consequence of this easy acquisition of wealth appears to be the decision by the Indian Merchants' Chamber to set up a similar Measurement Department. Perhaps the decision was about to be made in any case, but whatever its cause I cannot help describing it as unfortunate.

From the very nature of the work, which is essentially one of trust and consists in certifying the weight or cubic capacity of export cargo, it follows that the existence of two Measurement Departments actively competing for the shippers' patronage, is undesirable. A challenge of this sort can be justified only if there is reason to suppose that the monopolist is abusing the privileged position; and in that case, surely the first course is to press for a reduction in charges. Actually no such reduction has been asked for: and I fear that if the Chamber were to offer it now its motive would be misunderstood. Indeed a rate cutting war might ensue, which would adversely affect the mercantile community as a whole and I have no doubt the steamship companies in particular.

I have pleasure in recording my thanks to the Secretary, Assistant Secretary and to all the members of their staff during my year of office.

Finally I would take this opportunity of thanking your Vice-President and the members of the Committee whose advice and support have been the greatest assistance to me in handling the extraordinary plethora of subjects which are referred to, if they are not initiated by a Chamber of Commerce.

I would take this opportunity also, as it is the only one left to me—because we are not entertaining them to dinner this year—of acknowledging gratitude to those gentlemen

who have served on the many standing and special Sub-Committees of the Chamber and on the several public bodies of which the Chamber is a constituency. On their technical knowledge and experience depend in marked degree the soundness of the Committee's eventful decisions.

From to-morrow Mr. Gibbons is your President. In expressing my confidence that he will most ably carry out the duties which will devolve on him, I am not paying a formal compliment. Mr. Gibbons's minutes as Vice-President have been so comprehensive and sound that I would always wish to have the advantage of his advice rather than have to give a lead to him.

Mr. Bullock, your new Vice-President, has behind him far more experience of the Chamber Committee than have most of us when undertaking the office for the first time. The Chamber is fortunate that he should now be in a position to undertake a responsibility which he has had to decline in the past.

I now formally propose that the Report of the Committee of the Bombay Chamber of Commerce for the year 1940, be and is hereby adopted and confirmed.

MR. J. M. B. GIBBONS, the Vice-President, said :— Your Excellency and Gentlemen,—In rising to second the resolution now before you I will, as usual, take the opportunity to comment on some matters of general interest in which the Chamber has been involved.

The first is a matter of no great importance but it has aroused a good deal of feeling in the community. I refer to the A.E.G. India Electric Co., Ltd. I imagine most of you are familiar with the details : how this German Company two days before the outbreak of war entered into an agreement with three of its employees—one of them of acquired neutral status—, whereby in consideration of the employees taking over the debts of the Company they became entitled to the whole of the assets. The debts are put at Rs. 3 lakhs and the assets estimated at Rs. 8 lakhs, and the ultimate

destination of the balance of Rs. 5 lakhs is of course a matter for speculation. In the opinion of the Chamber, the Custodian of Enemy Property is the right recipient, and we hold that the Government of India has power to take action under the Defence of India rules ; but unfortunately Government takes the view that there is a hole in the rules which has let this big fish slip through with perfect legality. The Chamber is continuing to take an interest and is putting up to Government a fresh line of approach that has been suggested by our Solicitors, and we are hoping to convince them that they can and should take action to prevent ramifications of this Nazi firm from continuing to operate in our midst.

One of the major problems confronting the commercial community at the present time is that of transport. I am not referring now to overseas transport. That, although a problem of the first magnitude, is outside our competence but I refer to internal transport in India. As you know, before the war coastal shipping carried a substantial proportion of India's internal trade, but with the requisitioning by Government of coastal steamers and their diversion to other routes, this branch of transport has been functioning less and less, and more and more of the load has been transferred to the Railways. The Railways have stood up to the extra burden remarkably well, but with the added pressure of crop movements, it has begun to be too much for them. An acute shortage of wagons is everywhere being felt. All consignments are subjected to prolonged delays, and on some sections bookings have been entirely suspended until the existing congestion can be cleared. How serious the situation is will be appreciated when I tell you that one concern alone—admittedly a large one—engaged on the manufacture of a commodity of the first importance from a military as well as from a commercial point of view is short of its ordinary transport requirements by no less than five thousand wagons. That is one concern ; and what the total shortage must be all over the country I would not like to hazard even a guess.

The problem is undoubtedly a serious one, and unfortunately it is aggravated by the entire inadequacy of the roads. Were it possible to call on the assistance of a well organised and efficient system of road-transport the situation would be considerably relieved, but while India has made rapid progress in many other directions the roads have remained the Cinderella in her tale of progress.

As I see it the problem is two-fold, the first concerned with a short-term or war policy, and the second with a long-term policy ; and both policies in the long run revolve round the question of co-ordination.

To take the short-term policy first : the question that has to be answered is " Are we making the best use of the various means of transport at our disposal ? " To find the answer to that there is I think, only one method and that is to collect together not only the suppliers but the users of transport and by dint of full discussion and collaboration to concentrate on the conservation of effort and the elimination of waste. I repeat it is a matter of co-ordination, and I was a good deal disturbed on reading in the Press recently a statement from the Hon. Member for Communications to the effect that he had no power to co-ordinate road and rail services. My answer to that would be " This is war time. If ordinary peace-time considerations stand in the way, then let the Government of India bring into play its emergency powers under the Defence of India Rules."

India has undertaken the role of Arsenal to the Empire, and as the output of munitions and materials increases so will the strain on her transport system increase. The whole question calls for a rapid and comprehensive survey, and from the scope of that survey I would certainly not exclude India's indigenous mercantile marine, the country craft that ply up and down the coasts. I am afraid that I am very ignorant as to the extent of their operations. They undoubtedly supply a very valuable addition to our transport facilities, and I cannot help wondering whether the fullest use is being made of their potentialities.

Then there is the long-term policy to be considered, and this at once brings me on to controversial ground, that of road *versus* rail. This controversy is raging in nearly all developed countries, but India has hitherto largely avoided it simply by refusing to construct an adequate road system. It is, I think, generally admitted that some articles are more economically carried by road, just as some are more economically carried by rail, and the problem once more is one of co-ordination in order to get the best out of both services. What is needed is a definite policy, but such policy must include the construction of a suitable net-work of roads. We all appreciate Government's desire to safeguard its large investment in the Railways, but I maintain that it has a large investment in the roads as well, even if its extent is disguised by the charging of roads costs to revenue. What is needed now is much too big to be charged to revenue, and Government, I think, should be prepared for a programme of construction financed on Capital, by means of loans. After all, the principle that roads constitute a Capital charge has been well and truly established for commercial concerns by Government itself through the medium of its Income-tax Department, and I do not see the necessity for differentiation in the case of Government's own projects. As revenue producers roads are in a very high category through motor taxation, and Government need have no fear that they would fail to secure an adequate return nor, if there is proper co-ordination of services, need the position of the Railways be endangered.

To digress a moment, in connection with taxation there is one matter to which I would draw attention, and that is the inadequacy of both staff and accommodation, principally the latter, at the Motor Vehicles Licensing Department at Police Headquarters in Bombay, the place where we pay out large sums for motor licences of all kinds. In these days of heavy taxation our motto has to be "Pay up and look pleasant," but in this department, as now accommodated, you have the greatest difficulty in doing either.

To return to the roads, the question for India is by no means merely that of the railway train and the motor truck. Go out into the country and look at a bullock cart toiling through the ruts, the pot-holes and the dust of the country roads. Think of the waste of time and effort, human and animal. Apply that waste to the millions of carts all over India. In terms of money the cost to the community must be colossal. It is the wish of everyone to see India prosperous and her people attain to a reasonable standard of living, but I find it altogether impossible to conceive of any real degree of prosperity and comfort in a countryside where such conditions of transport prevail.

The problem is a gigantic one. To provide an adequate solution calls for long and careful study, a bold conception and fearless execution. Let us hope that the Government of India will not delay in setting themselves to the task of finding that solution.

In conclusion, gentlemen, I have to thank you for the honour you have done me in electing me as your President for the coming year. Difficult times lie ahead of us, but with the aid of the Vice-President, Mr. Bullock, whom you all know well, and of those gentlemen who have volunteered their services for the Committee, and with your support I have no doubt that the Chamber will continue to surmount all difficulties as successfully as it has done in the past.

I now have pleasure in seconding the resolution.

The Report was adopted unanimously.

HIS EXCELLENCY THE GOVERNOR said :—I must first thank you, Mr. President, for the manner in which you have welcomed me here to-day on my fourth visit to this Chamber. I have always regarded it as an important, indeed a vital part of my duties to keep in touch with the commercial community of the city. I have endeavoured to do this by meeting as many of you as I can individually, but, at the same time, it is a great help to me to be able to meet you on the occasion of your annual meeting as a body.

Your report for the year 1940 reveals how greatly almost all the problems which confront your members are overshadowed by the war. Where you have been able to pursue what may be termed your normal business, you have had to meet conditions which are altogether abnormal. Fundamental matters such as finding markets and getting goods into markets have been all awry. Most of you will have found it impossible to pursue, on account of the war, a long-term policy; improvisation to meet conditions which have been constantly changing, sometimes with great suddenness, has been the order of the day. I do not doubt that you are coping with these problems with your customary energy and resource.

In addition to your normal trading activities you have all been aware that for you, in common with the whole Empire, the first business has been the business of waging war, and this may not be an inappropriate occasion for reviewing the economic effort which has been made in this Province in support of the war.

Some general idea of the part which this Province is playing in India's war effort can be obtained by comparing the value of the purchases made by the Central Government in this Province with the value of the purchases made by the Central Government in India as a whole. During the financial year 1940-41, up to the end of February the orders placed by the Central Government through its two main Purchasing Organisations are valued at approximately Rs. 60 crores. During the same period the value of the orders placed in the Bombay Presidency was approximately Rs. 15 crores, so that, by this rough and ready test, Bombay is responsible for approximately one-fourth of the industrial effort of India.

The statistics for purchases or orders placed do not, of course, tell the whole story, for many of the activities of the Central Government are not reflected in the work of the Purchasing Organisations, and to some extent statistics may be misleading: but allowing for these factors, the

effort of this Province can be taken as very roughly one-quarter of the whole, which cannot be regarded as unsatisfactory.

Examining this broad picture in greater detail, it is clear that Bombay's special effort on the general stores side has been in respect of cotton textiles and body-building for motor vehicles. The activities of the textile industry are very well known and it is unnecessary to give details about them. There is every prospect that the demand on the industry in future will be considerably greater than it has been in the past year. But it is perhaps not generally realised how large a part Bombay has played in the mechanisation of the Defence Forces. Discretion prevents me from giving details of the number of vehicles now being turned out from the assembly plants and the body-building yards in India, but the number is a large one, and will increase rapidly. Not a small part of the shortage in railway waggons, about which the Vice-President was concerned, is due to the fact that special trains are very often needed to remove completed vehicles from Bombay to their destinations. The work of the Bombay body-builders is second to none, and considerable credit is due to the Bombay workers who made this rapid expansion of production possible.

I will mention one other item of general stores. Bombay gave the lead in the manufacture of web equipment, and is assisting with the manufacture of a number of new articles. Thus, contracts have recently been placed with Bombay firms for brass components for web equipment, snap-fasteners, eyelets, etc., which, though they may not sound very important, are so often the bottle necks of production.

Important though general stores are, their procurement is an easier matter than the procurement of munitions and certain types of engineering stores. Much important work is being done in the Province by the civil industry in the field of munitions production. Civil industry can assist in this task in two ways: first, by relieving the Ordnance Factories of a part of their load so that they may concentrate

on the more difficult items, and, secondly, by the independent manufacture of shell, fuses, grenades, land mines, and various munitions components.

Some idea of the extent of the relief work now being arranged in India is given by the fact that one Ordnance Factory has been relieved of 437 separate items by 76 individual firms and Railway Workshops. About one-quarter of these relieving workshops are situated in the Bombay area.

The independent work on munitions being done in Bombay includes the production of shell, fuses, grenades and anti-tank mines. The value of the orders placed for shell amounts to about Rs. 20 lakhs, and the Province is responsible for about half of the present civil output of fuses and grenades. The load on civil industry will increase, and increase very rapidly, and arrangements are being made to decentralise the placing of orders, so that Controllers of Supplies (who will be assisted by compact industrial panels) may load up industry in accordance with an allotted task. There are many difficulties to be overcome: the civil production of munitions involves the undertaking of a good deal of unfamiliar work, and frequently a co-operative effort is required by which different processes are carried out by different firms: trained personnel also presents a problem, but I have not the least doubt that the spirit of co-operation will overcome the obstacle.

Although Bombay is not the engineering centre of India, nevertheless the Province is taking a useful part. Up to the end of 1940, 60,000 tons of steel structurals had been ordered in India for war purposes, and 11,000 tons of the total quantity were ordered in Bombay. The value of these Bombay orders, including the cost of the material, was about Rs. 35 lakhs. In addition, Bombay received an important order for steel and concrete pipes, and has been responsible for the fabrication of a large number of points and crossings and turnouts for railways of all gauges. Many

miscellaneous items of engineering stores have also been placed in Bombay with good results.

So far as shipbuilding is concerned, the orders for small craft of various kinds placed in Bombay are valued at about Rs. 34 lakhs.

This necessarily restricted survey of the measure in which Bombay is assisting the economic war effort of India does show that the industries of Bombay are responding well to the call for expansion or for diversion of output. We may expect that the demands will increase greatly during 1941, and I know well that your Chamber will spare no effort to assist in ensuring that all demands are met in full.

It may be relevant to observe, here, that the expansion of industrial production in India for war purposes makes it appear probable that India will emerge from the war equipped with a far greater wealth-producing capacity than before. Indeed, there seems good reason to expect that out of this great world disaster India may emerge greatly benefited in her economy. That would be one gain to set against a multitude of losses in the world. And if that should seem, in these uncertain days, too rash a prophecy, it can at least be recognised that up till now India has received some substantial economic benefits to set against the inconveniences brought to her by war. Nor should it be overlooked that a considerable part of those economic benefits have come from the United Kingdom, which has spent in this country since the war began not less than 82 crores in the purchase of war supplies. That not inconsiderable part of war production in India is being paid for by the United Kingdom taxpayer, that little man who, besides carrying a colossal financial burden, is in his own person defending civilised man against the barbarian onslaught.

Before I leave the subject of the economic war effort, I would like to make a reference to the work of the National Service Advisory Committee which you, Mr. President,

mentioned in your speech. It has not been an easy task to decide, in many hundreds of cases, the relative importance of the requirements of the armed forces and the needs of commerce and industry which form also an essential part of the war effort. I believe that the work of the Committee has received a wide measure of acceptance within the European community. I know, too, that it has been carried out in the real spirit of the National Service Act, which is to put every man in the place where he can be of the most use in waging war. As a result, I do not think that the relative contribution of the community in Bombay in national service is being bettered in any other part of this country.

I turn now to several matters of Provincial importance which touch the commercial community closely.

The Provincial Budget has recently been introduced. I notice that it has been given a not wholly unfavourable reception. Two comments have been made upon it about which I would say a word. It has been suggested that instead of keeping a large sum in reserve it would have been better to have embarked on larger expenditure on the social services. I recognise the importance, when the Province has money available, of developing the social services and it is for that reason that in this Budget the estimates for expenditure on them show a substantial increase under almost every head, and that a programme of development for the next three years, the cost of which will be 138 lakhs, has been drawn up. But I am convinced that it would not be prudent to ignore the possibility that the war may yet have far greater repercussions on the life of the Province than has hitherto been the case. It would, in my opinion, be decidedly improvident to spend all our available financial resources at this stage in the war.

The second comment to which I would refer is concerned with roads. You, Mr. Vice-President, spoke on this subject in your speech to-day. We have been able in this Budget to make a larger provision for roads than for some time

past, and I recognise the great need which exists for a much greater improvement in our roads in this Province. I would, however, ask you to take account of two important considerations before you commit yourselves to the view that a large and comprehensive road programme should be undertaken now. In the first place, roads, important as they are, are not the only urgent needs. Public health, water supply, education, for instance, cannot, in my judgment, be given second place to roads. I should find it difficult to agree that a larger provision for roads should be made at the expense of other urgent needs. Secondly, a really effective road programme would, as the Vice-President has pointed out, require to be financed by means of a loan, which, it should be remembered, would impose on Provincial finances a heavy annual burden for upkeep and for the service of the loan. For the Provincial Government to enter the loan market for capital to finance a major programme of development is not a project which could be lightly undertaken at a time when the needs of the Central Government and of industry for war purposes are so great. Such a policy could only be embarked upon if it were clear beyond a doubt that it would not lead to a diversion of resources from the direct war effort.

Mr. President, you referred to the position of two commodities, cotton and groundnuts, which are of great importance to the economy of the Province. In a province, mainly agricultural, as this is, the interests of the primary producer are naturally of great concern to Government, and I am glad to think that, as far as cotton is concerned, the cultivator is safe for one season at least. His latest harvest, apart from some of the long staple varieties, has already been brought to market and sold. For the long staple varieties which have yet to appear on the market, there is every prospect of an adequate internal demand. The cultivator, then, cannot be affected by any catastrophic fall in cotton prices for some time to come, and you will appreciate that, for the Government of an agricultural province, that is a reassuring thought. If, for any of the

reasons the President has touched upon, there should, in the immediate future, arise any danger of a serious fall in prices, the problem would concern mainly the dealers in cotton and the commercial community, and I would be the last to deny the importance, both to the individuals concerned and to the general economy of the Province, of any substantial collapse in cotton prices which would involve this community in difficulties. There is no need for me to say anything further, at this stage, since we are dealing with a hypothetical situation. We can hope that the danger will not arise, but, if it does, the problems to which it would give rise have not been overlooked.

With regard to groundnuts, the problem again is not confined to this Province, and has recently been the subject of consultations between the Central Government and the Provincial and State Governments principally concerned. My Government has agreed to take part in a scheme which has as its objects both the stimulation of internal trade in this product and the restriction of the area sown during the next sowing season. This scheme has been made possible by the readiness of His Majesty's Government in the United Kingdom to maintain its price for the purchase of groundnuts.

I notice, Mr. President, that you touched on a problem, of a personal nature, over which many of us are exercised at the present time, and that is to find the right answer to the question —How should the individual control his personal expenditure in war time ? As you have remarked, for those living in the British Isles the question does not arise : total warfare, there, exercises almost complete control : but for those living here the control remains with the individual, and the question is not an easy one for the individual to answer. For one thing, the circumstances of individuals vary greatly, and no hard and fast rule would be universally applicable. For another, it is possible that economists themselves might advance different theories. I do not, however, think that this is a subject which economic theory

alone should decide. Far stronger motives come into play. It is hardly possible for anyone who knows London, or Coventry, or Plymouth or Hull to feel content with his own immunity or his own luxuries while those and other cities endure their trials. Nor is it conceivable that anyone who understands what is at stake in this war should not feel the urge to make his own sacrifices for the cause. These may be only sentiments, but they provide the strongest of motives, and cannot, and should not, be put aside. The problem really is how to apply them intelligently. It would be no advantage, for instance, while Great Britain's considered policy is to maintain as large a volume of export trade as possible, to curtail expenditure on British goods: in any case, factors out of our control, such as shipping, will regulate that matter for us, and there would be little profit in attempting to anticipate them. Again, it would be no gain in the prosecution of the war to lower standards to such a pitch that efficiency or morale suffers: that consideration is applied to policy in the British Isles, and it is applicable everywhere. These and other factors come in to temper and balance those strong motives which are, I know, widely felt, and to which you, Mr. President, have given expression. But, when all is said, the broad conclusion remains, that all we can give or lend strengthens the Empire's power to wage war, and I have no doubt that each of us, as individuals, who makes a sincere and reasoned endeavour to curtail his luxury expenditure so as to add to our war donations or war savings is finding the best answer to the problem.

Gentlemen, when we met a year ago we knew little about this war, and there were not many of us who did not indulge in a great deal of wishful thinking and facile optimism. That was swept away by the world-shaking events of April, May and June. We meet, this year, with a full knowledge of what we are up against and with the expectation that the sternest tests lie ahead of us. But, whatever they may be, we know that we are far better able to meet them than we were last July. At that time the Empire was

fighting on the edge of an abyss: now we have a cliff at our backs, built up in the last nine months by such solid material as the defeat of the *Luftwaffe* over England, the re-equipment of our forces, the steadiness of the British people, the courage of Greece, the break-up of the Italian Empire, and, just lately, the knowledge that the industrial resources of the United States form our Arsenal. That is a solid background, which gives us consciousness of our own strength. We need have no illusions about the dangers which lie ahead of us. They are very formidable, but so is the spirit of the Empire and so are our material resources.

The coming months will present many new problems and obstacles to your members. You will deal with them, I have no doubt. I know, too, that the Government of India and the Government of Bombay can rely upon you for one hundred per cent. co-operation in anything which is necessary for the prosecution of the war, that same one hundred per cent. co-operation which is the magnificent response of the people of the British Isles to every call which is made upon them.

SIR ALEXANDER GRAY in proposing a vote of thanks to the Committee said the report before them gave an indication of the time and energy that must have been devoted by the President, the Vice-President and the outgoing Committee in conducting the affairs of the Chamber during the past strenuous year and he had no doubt that the members present, would show their appreciation by carrying unanimously the resolution which he would put before them.

He then formally proposed that the thanks of the Chamber be tendered to the President, the Vice-President and the outgoing Committee for their able conduct of the affairs of the Chamber during the past year.

MR. W. L. A. RADCLIFFE seconded the proposition which was carried with acclamation.

Under the provisions of Article 41 of the revised Articles of Association, adopted at the Special General Meeting of

members held on the 19th February 1941 the outgoing Committee in conjunction with the incoming President and Vice-President, are empowered to select six duly qualified persons to serve, if elected, as ordinary members of the Committee for the ensuing year, and these six gentlemen are to be deemed to have been duly proposed for election. The following names were submitted to the vote separately and were elected unanimously by a show of hands :—

MR. C. J. DAMALA.
MR. R. C. GILES.
MR. A. L. HUTSON.
MR. G. S. TAUNTON.
MR. NEVILLE WADIA.
MR. B. J. WHITBY.

MR. P. G. VALIERI, proposed, MR. W. L. CLEMENT seconded, and it was agreed :—

" That MESSRS. SHARP AND TANNAN be and are hereby elected Auditors of the Chamber's accounts for the year 1941 at a remuneration of Rupees Two hundred and fifty."

MR. C. R. SHARP in proposing a vote of thanks to His Excellency the Governor, said :—Mr. President and Gentlemen,—It is my privilege to-day to propose that we express our appreciation of His Excellency the Governer's presence in our meeting and his continued interest in our business and affairs. I take much pleasure, Sir, in the enjoyment of that privilege.

Much has happened since His Excellency sat with us here a year ago—much more since the preceding occasion. Two years ago the Governorship of this Province was something of a sinecure and the Governor appeared to enjoy a position of comparative leisure. Under the benevolent auspices of Provincial Autonomy all he had to do was to sit back against the time when his ministers might consider it desirable to give him some necessary advice. A year later, unfortunately, his sinecure had disappeared and His Excellency was once more responsible for the day-to-day administration of the functions of executive Government.

But as if that were not enough we have seen how, since we met a year ago, his duties and responsibilities have increased. At peace, the organisation necessary for the management of the business of Empire is so big as to pass the comprehension of most of us and the office of pro-consul is given to few. In time of war, when most of all initiative passes from the people to its Government and the business of making war is the only one that really matters (despite all that may be said to the contrary) the job of Empire's branch manager, if I may use the expression, is no sinecure. All of you, at the same time appreciating all of the considerations implied, will join with me in wishing His Excellency an early return to his comparative leisure of two years ago and in hoping that at this time next year we shall have the pleasure of his company for the second time on the same day, a pleasure denied to us now by considerations to which you, Sir, have referred.

In spite of labours more arduous, responsibilities more onerous, difficulties more complex, His Excellency has again evidenced his sympathetic interest in our affairs and I have much pleasure in proposing that the members of this Chamber do thank him for it in the usual way.

The proposition was carried with acclamation.

A vote of thanks to the President terminated the proceedings.

Bombay Chamber of Commerce

ANNUAL REPORT FOR 1940

ELECTION OF PRESIDENT AND VICE-PRESIDENT OF THE CHAMBER FOR THE YEAR 1941-42.

In accordance with the prescribed regulations, Mr. J. M. B. Gibbons and Mr. R. W. Bullock were elected President and Vice-President, respectively, of the Chamber for the year 1941-42.

CHANGES IN THE COMMITTEE DURING 1940.

In May 1940 Mr. G. J. H. Walls resigned his seat on the Committee and Mr. D. D. Storrar was nominated to serve in his stead.

BOMBAY PORT TRUST.

Chamber's Representative.

In March 1940 Mr. A. K. G. Hogg, one of the Trustees of the Port of Bombay elected by the Chamber, resigned his seat on transfer from Bombay and Mr. G. S. Taunton was duly elected to serve in his stead.

INDIAN CENTRAL COTTON COMMITTEE.

Chamber's Representative.

In June 1940 Mr. M. S. Durutti, the Chamber's representative on the Indian Central Cotton Committee, resigned his seat as he was away from India and did not expect to return for some time. Mr. L. F. H. Goodwin was nominated to serve in his stead.

EMPIRE COTTON GROWING CORPORATION.

Chamber's Representative.

The term of office of Mr. S. B. Samoilys as the Chamber's representative on the Administrative Council of the Empire Cotton Growing Corporation expired in May

1940 and the Corporation invited the Chamber to nominate a representative to serve in his stead. The Committee re-nominated MR. SAMOILYS.

G. I. P. AND B. B. & C. I. RAILWAYS ADVISORY COMMITTEES.

CHAMBER'S REPRESENTATIVE.

In March 1940 MR. L. A. HALSALL, the Chamber's representative on the G. I. P. and B. B. & C. I. Railways Local Advisory Committees, resigned his seat on proceeding on leave and MR. A. MCINTOSH was nominated to serve in his stead.

The tenure of office of the existing members of the G. I. P. Railway Local Advisory Committee, Bombay, expired with the meeting held in May 1940. MR. MCINTOSH was re-nominated to serve as the Chamber's representative on the new Committee for a period of two years with effect from the meeting for the month of June 1940.

In October 1940 MR. MCINTOSH resigned his seat and MR. L. A. HALSALL was nominated to serve in his stead.

AUXILIARY FORCE ADVISORY COMMITTEE.

CHAMBER'S REPRESENTATIVE.

In March 1940 the Government of Bombay, Home Department (Political), informed the Chamber that the term of office of the existing Advisory Committee for the Bombay District under the Auxiliary Force Act 1920, would expire on the 31st March 1940 and requested the Chamber to nominate its representative on the Committee for the year 1940-41.

The Committee re-nominated MR. V. F. NOEL PATON.

BOMBAY TELEPHONE COMPANY LIMITED.

CHAMBER'S REPRESENTATIVE.

In March 1940 MR. A. K. G. HOGG, the Chamber's representative on the Board of the Bombay Telephone

Company Ltd., resigned his seat on transfer from Bombay and MR. J. M. B. GIBBONS was invited to serve in his stead.

GOVERNING BODY OF I.M.M.T.S. "DUFFERIN."

CHAMBER'S REPRESENTATIVE.

(*See Report* 1938, *page* 4.)

In March 1940 MR. A. K. G. HOGG, the Chamber's representative on the Governing Body of the Indian Mercantile Marine Training Ship "Dufferin" resigned his seat on transfer from Bombay and MR. G. S. TAUNTON was nominated to serve in his stead.

BOMBAY PROVINCIAL ADVISORY COMMITTEE FOR WAR SUPPLIES.

CHAMBER'S REPRESENTATIVE.

In June 1940 the Government of India in agreement with the Government of Bombay decided to establish a Provincial Advisory Committee for war supplies in the Bombay Presidency and appointed the following to serve thereon :—

Chairman :—One of the Advisers of His Excellency the Governor of Bombay.

Vice-Chairman :—The Controller of Supplies, Bombay (Supply Department).

Members :—The Director of Industries, Bombay.

The Commissioner of Labour, Bombay.

Representatives of the following Chambers of Commerce and other commercial interests who had agreed to nominate representatives to serve on the Committee :—

Bombay Chamber of Commerce, Bombay.
The Indian Merchants' Chamber, Bombay.
Bombay Millowners' Association, Bombay.
Messrs. Mackinnon Mackenzie & Co., Bombay.

The terms of reference of the Advisory Committee were as follows :—

(*a*) To advise the Government of India in the Department of Supply on any general question on which advice may be sought.

(*b*) To serve as a liaison link between the Government of India (Department of Supply), the Provincial Government, and the Commercial, Mercantile and Shipping Communities of Bombay to reconcile and to co-ordinate their interests to the general benefit of facilitating the procurement of war supplies and to bring to the notice of the Supply Department any matters concerning war supplies that appear to require action by the Government of India.

MR. R. W. BULLOCK was nominated to represent this Chamber on the Advisory Committee.

BOMBAY PROVINCIAL TRANSPORT AUTHORITY.

CHAMBER'S REPRESENTATIVE.

Under Section 44 (1) of the Motor Vehicles Act, 1939, each Provincial Government was authorised to constitute for the province a Provincial Transport Authority whose duty would include the co-ordination and regulation of the activities and policies of Regional Transport Authorities, if any, in the province, or if there was no Regional Transport Authority the performance of the duties of a Regional Transport Authority. In like manner, the Provincial Governments were authorised to constitute Regional Transport Authorities whose duty would be to grant permits for the use of motor vehicles as stage carriages, contract carriages, private carriers and public carriers, within specified areas.

It was further laid down that the Provincial Transport Authorities and the Regional Transport Authorities should consist of such number of officials and non-officials as the Provincial Government might think fit to appoint; but no person who had any financial interest whether as proprietor, employee or otherwise in any transport undertaking should be appointed as or continue as a member of a Provincial or Regional Transport Authority, and, if any person being a member of any such Authority acquired a financial interest in any transport undertaking, he should, within four weeks of so doing, give notice in writing to the Provincial Government of the acquisition of such interest and should vacate office.

On the 31st January 1940 the Government of Bombay issued a Notification No. 2809/39-II constituting for the Province of Bombay, with effect from the 1st day of April 1940, a Provincial Transport Authority, consisting of the following persons, to exercise and discharge the powers and functions specified in sub-section (3) of Section 44 of the Motor Vehicles Act, namely :—

(1) The Adviser to His Excellency the Governor of Bombay, in charge of the Revenue Department, (*Chairman*) (*Ex-officio*).

(2) The Inspector General of Police, Province of Bombay (*Ex-officio*).

(3) The Chief Engineer and Secretary to the Government of Bombay, Public Works Department (*Ex-officio*).

(4) A Representative of the Bombay Chamber of Commerce.

(5) A Representative of the Indian Merchants' Chamber.

(6) A Representative of the Indian Roads and Transport Development Association.

(7) A Member of the Bombay Legislature to be appointed by the Government of Bombay.

(8) A Member-Secretary, to be appointed by the Government of Bombay.

In response to an invitation from the Government of Bombay to nominate a representative of the Chamber to serve on the Provincial Transport Authority the Committee nominated MR. D. R. C. HARTLEY.

Subsequently MR. HARTLEY expressed his inability to serve and the Committee nominated MR. J. M. B. GIBBONS in his stead.

ROYAL BOMBAY SEAMEN'S SOCIETY.

CHAMBER'S REPRESENTATIVE.

In March 1940 the Committee re-nominated MR. C. H. C. MUNROE to serve as a member of the Royal Bombay Seamen's Society under the provisions of Rule 1 (*e*) of the Rules and Regulations of the Society.

CENTRAL ADVISORY COMMITTEE FOR LIGHT-HOUSES.

NOMINEE OF THE ASSOCIATED CHAMBERS.

In March 1940 MR. A. K. G. HOGG, one of the nominees of the Associated Chambers of Commerce of India on the Central Advisory Committee for Lighthouses, resigned his seat on transfer to Calcutta and the Committee of the Chamber nominated MR. G. S. TAUNTON to serve in his stead

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IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH.

REPRESENTATIVE OF THE ASSOCIATED CHAMBERS ON THE STANDING WHEAT COMMITTEE.

(*See Report* 1938, *page* 12.)

In April 1940 the Associated Chambers of Commerce of India informed this Chamber that MR. F. C. FYFFE, the Association's nominee on the Standing Wheat Committee of the Imperial Council of Agricultural Research, had resigned his seat on retirement from India, and enquired whether the Chamber desired to nominate a successor.

The Committee in reply stated that they did not desire to nominate any particular individual but suggested that this representation could be well undertaken by a member of the European Group at the Centre.

The Chamber was informed later that the following two nominations for the vacancy had been received ;

From the Chittagong Chamber of Commerce—Rai Upendralal Ray Bahadur.

From the Northern India Chamber of Commerce —Mr. C. T. Mason.

The Committee voted in favour of MR. C. T. MASON and were informed subsequently that he had been elected by a majority of votes.

TWELFTH INDUSTRIES CONFERENCE, LUCKNOW.

ASSOCIATED CHAMBERS' REPRESENTATIVE.

In response to an invitation from the Government of India to nominate a representative to attend the Twelfth Industries Conference which was held at Lucknow on the 16th and 17th December 1940, the Associated Chambers of Commerce of India nominated SIR TRACY GAVIN JONES.

SUB-COMMITTEES.

The undermentioned gentlemen were nominated to serve on the following Standing Sub-Committees of the Chamber for the year 1940-41 :—

Import Sub-Committee.
Mr. H. G. Davies (*Chairman*).
Mr. W. J. Burrows.
Mr. J. N. Kerr.
Mr. A. Sotiriadi.
Mr. J. E. Tew.

Export Sub-Committee.
Mr. L. F. H. Goodwin (*Chairman*).
Mr. J. L. Joannides.
Mr. M. Paspatti.
Mr. R. G. Saraiya.
Mr. J. Vonesch.

Docks and Railways Sub-Committee.
Mr. G. E. Berkley (*Chairman.*)
Mr. W. T. Aldous.
Mr. J. G. Milne.
Mr. C. F. Morris.
Mr. C. W. Warrington.
Mr. D. A. H. Windle.

Labour Sub-Committee.
Mr. A. W. Percy (*Chairman*).
Mr. D. D. Carcary.
Mr. H. F. Milne.
Mr. S. O. Sundgren.
Mr. F. S. Woodcock.

Income Tax Sub-Committee.
Mr. A. E. Blair (*Chairman.*)
Mr. G. A. H. Alexander.
Mr. C. R. Sharp.
Mr. B. J. Whitby.

Finance Sub-Committee.
Mr. (Now Sir Alexander) Gray (*Chairman*).
Mr. A. McCulloch.
Sir Kikabhoy Premchand.

Weather Working Days Sub-Committee.
Mr. A. L. Hutson.
Mr. R. W. Bullock.
Mr. C. E. Leman.

MEMBERSHIP OF THE CHAMBER.

The total membership of the Chamber on the 1st January 1941 was 181 against 184 at the beginning of 1940.

The following are the names of members elected.

MESSRS. ALEXANDER & Co. Proposed by The Bombay Company Ltd., and seconded by Messrs. Wallace & Co.

THE BRITISH DRUG HOUSES LIMITED. Proposed by Imperial Chemical Industries (India) Ltd., and seconded by Messrs. Crawford Bayley & Co.

MESSRS. SYMONS BARLOW & Co. Proposed by Messrs. Mackinnon Mackenzie & Co., and seconded by Messrs. Ralli Brothers, Limited.

THE GENERAL ELECTRIC COMPANY (INDIA) LTD. Proposed by Messrs. Mackinnon Mackenzie & Co., and seconded by Messrs. Jost's Engineering Co., Ltd.

MESSRS. W. T. SÜREN & Co. Proposed by Lloyds Bank Limited and seconded by Messrs. Greaves Cotton & Co., Ltd.

MR. L. ARMSTRONG SMITH. Proposed by Messrs. Forbes, Forbes, Campbell & Co., Ltd., and seconded by Messrs. Sharp & Tannan.

MESSRS. MADHAVLAL & COMPANY LTD. Proposed by Messrs. Turner Morrison & Co., Ltd., and seconded by Messrs. Mackinnon Mackenzie & Co.

THE HOLLAND BOMBAY TRADING CO.(INDIA). Proposed by The Chartered Bank of India, Australia & China and seconded by the Netherlands Trading Society.

MESSRS. CHUNILAL MEHTA & Co., LTD. Proposed by Messrs. Drennan & Co., and seconded by Messrs. Ralli Brothers Ltd.

The following resigned their membership of the Chamber :—

Mr. G. A. H. Alexander.
The Bombay Steam Navigation Company, Ltd.
Messrs. Munjee Nathoobhoy & Co.

Messrs. Schering (India) Ltd.
Messrs. Chemdyes Ltd.
Messrs. Suren Piras & Co.
Messrs. Gorio Ltd.
The Lloyd Triestino S. N. Co.
The Holland Bombay Trading Co., Ltd.
Messrs. Ericson & Richards.
Messrs. Mant & Critchley.
Messrs. Symons Barlow & Co.

CHAMBER'S ARTICLES OF ASSOCIATION.

In view of the amendments carried out in the Indian Companies Act, 1913, from time to time and particularly by the Indian Companies (Amendment) Act, 1936, the Committee found it necessary to revise the Chamber's Articles of Association, principally in respect of the method of election of the Committee. The practice had previously been for the members of the Committee other than the President and Vice-President to be nominated by the retiring Committee in conjunction with the newly elected President and Vice-President, and the names of the gentlemen so selected, were submitted to the annual general meeting for confirmation. Under the Indian Companies Act as amended a certain proportion of the directors of a Company have to be elected at the annual general meeting. Provision was accordingly made in the Chamber's revised Articles for the selection of candidates for election as members of the Committee by the method hitherto adopted and members so selected will be put up for election at the annual general meeting. Advantage was also taken to make certain other amendments in the Articles which experience of the past years had led the Committee to believe were advisable and provision was also made to permit the appointment of a Stipendiary President and/or Vice-President.

In view of the fact that the amendments proposed were numerous it was decided to submit to a general meeting

for adoption fresh articles as a whole. An extraordinary general meeting was accordingly called for Wednesday, 19th February 1941 for the purpose of approving and adopting the new Articles.

CHAMBER'S ARBITRATION BY-LAWS.

In view of the passing of the Arbitration Act, 1940, it was found necessary to amend certain clauses of the Chamber's Arbitration By-laws. A Special General Meeting of the Members of the Chamber was therefore called for Wednesday, 19th February 1941, for that purpose.

ASSOCIATED CHAMBERS OF COMMERCE OF INDIA.

ANNUAL GENERAL MEETING, 1940.

The annual general meeting of the Associated Chambers of Commerce of India was held at the Royal Exchange, Calcutta, on the 16th and 17th December 1940. The meeting was opened at 11 o'clock a.m. on the 16th December by His Excellency the Right Honourable the Marquess of Linlithgow, P.C., K.T., G.M.S.I., G.M.I.E., O.B.E., D.L., T.D., Viceroy and Governor-General of India. This Chamber was represented by MR. C. P. BRAMBLE, M.L.A., President, and MR. A. MCINTOSH.

The following is a list of subjects in connection with which resolutions were adopted unanimously by the meeting :—

1. Depreciation—Obsolescence.

2. Allowance of taxes or royalties paid to Provincial Governments or Local Authorities as a charge for income-tax purposes.

3. The Supply Department.

4. Special surcharge on the railway freight rates for coal, coke and patent fuel.

5. The Workmen's Compensation Act : War injury.

The last resolution (No. 5) was moved by the Bombay Chamber.

ASSOCIATED CHAMBERS OF COMMERCE OF INDIA.

DEPUTY PRESIDENT.

At the annual general meeting of the Associated Chambers of Commerce of India held at Calcutta on the 16th December 1940, the following resolution was adopted unanimously :—

"That the Bombay and Karachi Chambers of Commerce be and are hereby elected under the provisions of article 15 of the Articles of Association to nominate each a Deputy President for the year 1940-41."

The Committee nominated MR. J. M. B. GIBBONS.

VISIT TO THE CHAMBER OF DEWAN BAHADUR SIR RAMASWAMY MUDALIAR.

THE HON'BLE DEWAN BAHADUR SIR RAMASWAMY MUDALIAR, Member for Commerce and Labour Departments of the Government of India, accompanied by MR. H. C. PRIOR, I.C.S., Additional Secretary and MR. N. R. PILLAI, Joint Secretary to the Government of India, Commerce Department, met the Committee of the Chamber on the 24th July 1940 and had an informal discussion on the following subjects :—

1. Insurance of cargo on Neutral Ships.
2. Compulsory War Risk Insurance on land of stocks and property.
3. Persian Gulf Lighting Fund—Refund of excess dues to shipping by means of rebates.
4. Conveyance of Mails by non-contract lines.
5. Shortage of Freight space for export cargo particularly to Australia and Africa.
6. Textile purchases and tests.
7. Manufacture of Aeroplanes in India.

VISIT TO THE CHAMBER OF MR. H. DOW.

THE HON'BLE MR. H. DOW, C.S.I., C.I.E., I.C.S., Vice-President of the War Supply Board, visited the Chamber on the 14th August 1940 and had an informal discussion with the Committee on matters affecting his department.

VISIT TO THE CHAMBER OF MR. J. F. SHEEHY.

MR. J. F. SHEEHY, C.S.I., I.C.S., Member, Central Board of Revenue, accompanied by MR. C. W. AYERS, Excess Profits Tax Adviser to the Government of India and MR. T. A. MURPHY, Commissioner of Income Tax, Bombay, visited the Chamber on the 11th September 1940 and had an informal discussion with the Committee and Income-tax Sub-Committee on the following subjects :—

1. *United Kingdom Excess Profits Tax.*—The Committee suggested that United Kingdom Excess Profits Tax should be allowed as a charge against Indian profits. Mr. Sheehy stated that the matter was already under consideration.

2. *Provident Funds.*—Under a Notification No. 12 dated 3rd August 1940 the Government of India published a draft amendment to Rule 3 of the Income-tax (Provident Funds Relief) Rules the object of which was to make it compulsory for employers' contributions to recognized Provident Funds to be invested in British India. Mr. Sheehy said that this was a part of the financial policy of the Government of India. The Finance Department considered that if an income-tax concession was being granted India should have a *quid pro quo.*

The Committee were, however, opposed to the proposed amendment and it was decided to address the Government of India on the subject.

3. *Questions arising out of the interpretation of Section* 42 (3).—It was felt by the meeting that the Income-tax law laid down by this section, as interpreted by the Income-tax authorities, was not in accordance with the avowed intention of Government when the Act was amended as expressed in the Income-tax Enquiry Report and the notes on clauses accompanying the statement of objects and reasons appended to the Bill. Government's arguments to the contrary did not appear to the meeting as in any way convincing.

4. *Property Vacancies. Section* 9 (1) (*vii*).—Mr. Sheehy stated that a Bill was under consideration by Government which would include a provision amending the sub-section so as to substitute the words "gross annual value" for "nett annual value" thus giving the required relief.

5. *Conflict between Section* 10 (2) (*vi*) (*b*) *and Section* 24 (2).—Mr. Sheehy stated that he had promised the Bengal Chamber that he would look into the matter and that he understood they were making a representation. It was decided to make a representation to the Government of India on behalf of the Bombay Chamber.

6. *Interpretation of the term "smallness of profits" in Section* 23*A and the relief to shareholders in cases where profits taxed under this Section were subsequently lost.*—Mr. Sheehy stated that every case was examined by the Central Board of Revenue after the assessee had been heard and they issued their instructions to the Income-tax Officers. No general instructions had been issued but each case was examined on its own merits, and the Central Board of Revenue did not necessarily confine itself to a literal interpretation of the section.

It was generally felt that the position, in regard to cases where profit taxed under Section 23A and subsequently lost, was inequitable but Mr. Sheehy stated that as far as he knew the point had not been raised before and said that if a representation were made it would be considered.

It was decided to make a representation to the Government of India on these points.

7. *Delay in final assessments.*—Mr. Sheehy suggested that concrete cases of delay should be brought to the notice of the Commissioner who was requested to call for lists of outstanding cases at the end of each year.

8. *Income-tax allowance on Provident Funds of individuals taken from firms for national service.*—Mr. Sheehy stated that this was one of the matters which were under the consideration of the Government of India with a view to its incorporation in the amending Bill.

VISIT TO THE CHAMBER OF MR. E. S. KRISHNAMOORTHY.

MR. E. S. KRISHNAMOORTHY, the Indian Trade Commissioner Designate in Japan, visited the Chamber on the 17th August 1940 and had an informal discussion with members interested in Japanese trade with India.

CHAMBER'S STATISTICAL RETURNS.

(*See Report* 1939, *page* 15.)

It was recorded in the Report for 1939 that owing to the outbreak of war in September 1939 the Chamber had received instructions from the Collector of Customs, Bombay, prohibiting the publication of the following details in the Statistical Returns :—

(*a*) Names of steamers and their date of sailing, arrival and port or country of destination.

(*b*) Imports or exports of oil (mineral or lubricating), flour and grain.

(*c*) Shipments of gold.

In January 1940 the Chamber was also requested not to publish the countries of destination of cargo and in February 1940, the Chamber was prohibited from publishing the ports of shipment of imports but was permitted to show the countries whence the goods were consigned. The Government of India at the same time decided as a temporary measure to suspend with effect from February 1940, the publication of the Monthly Accounts relating to the Sea-borne Trade and Navigation of British India. To meet the convenience of the trade, it was proposed, however, to issue an abridged edition of these accounts containing summaries of trade movements during the month on the lines of the tables which appeared in the first part of the previous publication. The Chamber was not, however, permitted to supply any information to the public.

In June 1940 the Chamber was requested to omit from the returns all reference to countries of destination of exported cargo.

In September 1940 the Chamber was permitted to make available to non-member subscribers the restricted information then being supplied to members.

THE WAR.

The following are some of the more important subjects affecting commerce which came under the consideration of the Committee of the Chamber during the year under review as the outcome of the War between the British Empire and Germany and Italy.

National Service for European British Subjects.

(*See Report* 1939, *page* 24.)

It was recorded in the Chamber's Report for 1939 that a National Service Advisory Committee had been appointed in Bombay with the object of assisting the District Commander in all matters relating to the voluntary recruitment of officers for the Army and provision of personnel for the Army under the National Registration Ordinance. It was anticipated that the National Service Advisory Committees in the various provinces would receive statutory recognition in due course.

On the 21st March 1940 a Bill was introduced in the Legislative Assembly for the purpose of making certain provisions relating to service by European British subjects in the armed forces of or in a civil capacity under the Crown. The provisions of the Bill were of considerable importance to Europeans. The Bill extended to the whole of British India and applied to European male British subjects not being under 18 or over 50 years of age in any part of India, with the exception of a person in holy orders, a regular minister of any regular denomination, a member of His Majesty's regular Naval, Military, or Air Forces, a member of any reserve of any such force who was liable under his terms of service to be called up, a servant of the Crown, or a person in the service of a Federal Railway, or an Indian State Railway, or a minor Railway as defined in the Government of India Act, 1935.

All such persons to whom the Act applied would be liable to be called up for inquiry into his availability and fitness for national service.

The Act provided that the Central Government should appoint in various convenient areas National Service Advisory Committees, each of which should consist of not less than four members, of whom one should be an officer of one of His Majesty's forces in India, the remainder non-officials, and these Committees should, in certain respects, have the powers of a Civil Court, and might order any person called up for inquiry to submit himself to be examined by a Medical Officer of the armed forces.

The following were, *inter alia*, the functions of a National Service Advisory Committee :—

They should ascertain whether a person called before them could be spared, and was fit, for national service, and if such person expressed his willingness to undertake national service, he should be deemed (for the purposes of section 8 of the Act, which was referred to later) to be a person who had been taken into national service on the advice of a National Service Advisory Committee. Clause 8 stated that it should be the duty of an employer employing such a person referred to in the last paragraph, or a European British subject who had been called out for service in the Reserve of His Majesty's Regular, Naval, Military or Air Forces, or granted an Emergency Commission, or enlisted in His Majesty's Forces, or accepted for training as a cadet at an Officers' Training School at any time after the 2nd September, 1939, and before the termination of hostilities, to reinstate that person in his employment at the termination of that service, in an occupation and under conditions not less favourable to him had he not been so taken into service.

If, however, for any reason the employer might put forward, the reinstatement of the employee was impracticable, either party might refer the matter to a tribunal, which might reinstate the employee, or order his employer

to pay to him a sum not exceeding six months' remuneration at the rate at which his last remuneration was paid to him. A penalty was provided by the Act if such an order was not obeyed. It was incumbent, however, upon the employee that he should apply to his employer for reinstatement within a period of two months from the termination of his national service.

The Bill was passed in due course, and received the assent of the Governor-General on the 12th April 1940.

In April 1940 the Government of India in the Defence Co-ordination Department, in exercise of the powers conferred by sub-section (2) of section 5 of the National Service (European British Subjects) Act, 1940, appointed the following persons to be members of the National Service Advisory Committees for (1) the Bombay Military District, (2) the Deccan Military District excluding Jubbulpore (Independent) Military Area and (3) Jubbulpore (Independent) Military Area, (*a*) President of the Bombay Chamber of Commerce, (*b*) Chairman, European Association, Bombay Branch, (*c*) Master, Bombay Presidency Trades Association, Bombay, (*d*) President, Bombay European Textile Association. The Secretary of the Chamber, Mr. C. H. C. Munroe, was appointed Honorary Secretary of the above Advisory Committees and carried out these duties throughout the year.

On the 24th July 1940, the Governor-General promulgated an Ordinance (No. V of 1940), under section 72 of the Government of India Act amending the National Service (European British Subjects) Act, which formerly provided merely for the examination of the case of any person subject to the Act by the appropriate National Service Advisory Committee whose duty it then was "to report to the competent authority whether such person is available (i.e., can be spared without detriment to the public interest from his existing employment) and is fit for national service." The Act as amended, making use

of the machinery of the National Service Advisory Committees, imposed "conscription," for military or civilian national service, on all male European British subjects in any part of India between eighteen and fifty years of age, subject to a few exceptions such as persons in holy orders and servants of the Crown. Another Ordinance entitled the National Service (Technical Personnel) Ordinance, 1940, was promulgated on the 29th June 1940 and came into force as from that date. It applied only to Indian British subjects between the ages of 18 and 50; and its object was to ensure the inflow of skilled personnel into munitions factories and other essential industries in India declared to be engaged on work of national importance. Briefly, it authorised—through the medium of local tribunals—the compulsory transfer of skilled workers within the above category from any industrial undertaking other than a notified factory to a notified factory, which was defined in the Ordinance as including "any factory under the Crown and any factory declared by notification under section 4 to be engaged on work of national importance."

Early in December 1940, in response to a request from the Government of Bombay, a report on the working of the Bombay National Service Advisory Committee was submitted in which it was mentioned that the National Service Advisory Committee commenced functioning with statutory powers early in May 1940. Its composition was as follows :— Mr. C. P. Bramble, M.L.A., President of the Bombay Chamber of Commerce (Chairman); Mr. Fred Stones, O.B.E., and on his resignation, Mr. A. McIntosh, Chairman of the European Association; Mr. J. Ward, Chairman of the European Textile Association; Mr. E. W. Fairbrass, Master of the Bombay Presidency Trades Association, and the accredited Military representative of the Bombay, Bolarum and Jubbulpore District Headquarters. Mr. G. H. Richmond was co-opted and Col. W. H. Hammond had been associated with the Committee.

From the 9th of April 1940 when the National Service (European British Subjects) Act, 1940, came into force, until the date of the report the manager of every firm and association employing a British European staff in the Bombay area as constituted by the Act, in which was included the Jubbulpore and Deccan District Commands, had either been personally interviewed by the National Service Advisory Committee or a letter from him had been given full consideration. From information thus obtained a classification had been allotted to each individual member of the staff concerned. These classifications were as follows:—'A' Key man; 'B' Retention in industry important; 'C' Retention in industry desirable for the present; 'D' Can be spared.

When individuals classified as 'C' had to be re-considered for a change in classification to 'D' a similar procedure had been adopted.

In about 480 cases Managers of firms had been consulted. Furthermore, practically every individual in category 'D' and most of those in category 'C' had been personally interviewed and the appropriate recommendation for their employment made to the Competent Authority. This had entailed some 1,370 additional interviews.

The number of recommendations for employment in national service made to the date of the report amounted to approximately 900, of which over 600 had already been appointed to the Army, Navy, Air Force, Department of Supply, etc., and about 150 each, remained outstanding for enlistment and commissioned ranks respectively.

Of the total number of recommendations made about 15 per cent. applied to the Jubbulpore and Deccan areas, whilst the remaining 85 per cent. had been drawn from Bombay and its immediate vicinity.

The total number of individuals registered with the Commissioner of Police and the Auxiliary Force (India), amounted approximately to 2,370. Of these, 270 were

interviewed and found to be not subject to the Act ; 43 were medically unfit ; 163 had left India or were untraceable, and 74 had been transferred from Bombay to other areas ; leaving a total of 1,820 registered individuals from which man-power could be drawn. To this figure might be added a certain number of persons who failed to register or who had since been transferred to Bombay from various other areas.

It was estimated that when the few remaining available 'D' and 'C' men were dealt with and the existing outstanding recommendations had been acted on, the number of individuals engaged on national service from the Bombay area would amount to approximately half of the total man-power available.

For purposes of record the text of the National Service (European British Subjects) Act as amended, and the National Service (Technical Personnel) Ordinance, 1940, are reproduced in the Appendices.

Allowances to A.F.(I.) Personnel.

In March 1940 the Committee informed the General Officer Commanding, Bombay District, that they understood that certain portions of the Port Defences were manned by the Auxiliary Force personnel and that many of these men had been serving since the outbreak of war, for which purpose they had lost or given up their civil employment. It was further understood that the Military Accounts Department had disallowed certain allowances including the marriage allowance from being paid to these men, which had resulted in great discontent amongst them. The Committee were also informed that the General Officer Commanding fully appreciated the position and had already taken up the matter with the Controller of Military Accounts and they requested him to be good enough to convey the views of the Bombay Chamber of Commerce to the Controller of Military Accounts which were in full support of his representations.

The Chamber was subsequently informed that the previous ruling had been cancelled and that marriage

allowance would continue to be admissible to members called out or attached at their own request to regular units at rates and age limit laid down in Rule 276, Pay and Allowances Regulations, Volume II.

INSURANCE OF GOODS SHIPPED ON NON-BRITISH STEAMERS.

In July 1940 the Committee informed the Associated Chambers of Commerce of India that they had noted with concern that in certain cases banks had felt it necessary to refuse to accept documents covering goods shipped in non-British steamers.

It would appear that, in cases where recourse on the drawers was not in itself considered sufficient protection, the banks felt compelled to adopt such an attitude, because the ordinary war risk policy as issued by British insurance companies to-day was by no means what it purported to be.

The interpretation which the British insurance companies themselves sought to place on their war risk policies would exempt them from liability to pay in the event of goods becoming a loss after a voyage had been " frustrated." This question of frustration was a controversial one and the Committee were, of course, aware that a case was at the moment before the Courts respecting the liability of insurance companies in connection with German vessels which had taken refuge in neutral ports.

In the meantime it was impossible for merchants to cover themselves by insurance against all contingencies.

The existing circumstances, moreover, placed British banks at a disadvantage. They provided a reason for merchants to negotiate drafts through foreign banks; for the fact that such a bank had the right of recourse on the drawer would avail it little if a state of war were to ensue between India and the bank's country of registration.

In the opinion of the Committee this state of affairs constituted a very serious impediment to the export trade of this country. The Committee consequently regarded this

matter as one of considerable importance and recommended that the Associated Chambers of Commerce should make representations to the London Chamber of Commerce requesting it to use its influence with insurance companies to obtain a change in their policy. If this was impossible, it was suggested that the London Chamber of Commerce should be requested to urge the Government of the United Kingdom to undertake a scheme as it had already done in the case of commodities on land.

The Chamber was subsequently informed that the London Chamber and the Federation of Chambers of Commerce of the British Empire had been addressed in the matter.

Compulsory War Risk Insurance on Commodities on Land.

In November 1939, the attention of the Committee was drawn by a member to the scheme in force in the United Kingdom for the compulsory insurance against war risk of goods in warehouses and suggested that a somewhat similar scheme might be introduced in India. The Committee at that time considered the suggestion impracticable under then existing Indian conditions and declined to approach Government in the matter. As conditions had changed considerably in the meantime the Committee, on the 28th June 1940, convened a joint meeting of representatives of the Chamber, the Bombay Millowners' Association, the East India Cotton Association and the Indian Merchants' Chamber for the purpose of discussing the advisability of requesting Government to introduce a compulsory scheme of insurance against war risk on land for commodities. At this meeting it was unanimously decided to despatch the following telegram to the Commerce Member of the Government of India :—

"To re-establish confidence at ports thereby arresting the continuous decline of commodity prices all over India representatives of undersigned bodies consider it of vital importance that Government should announce that they are accepting the principle of war

risk insurance on land of stocks and property at a reasonable premium and that Government should announce details shortly. The question as to what extent and in what areas and towns compulsion if necessary should be introduced may be examined by Government in consultation with the undersigned bodies.

Subsequently a discussion on the subject was held by the Additional Secretary to the Commerce Department of the Government of India with representatives of the bodies mentioned above and the Bombay Seeds Merchants' Association, the Marwari Chamber of Commerce and the Indian Central Cotton Committee. In arranging this discussion Government pointed out that it was purely of a preliminary nature and could not be taken as in any way committing Government.

In July 1940 the Government of India requested the views of the Chamber on the following Press *communiqué* that was issued on the 18th July regarding War Risk Insurance on commodities on land :—

At the instance of various Associations in Bombay and Karachi the Central Government have recently been considering the establishment of a Government scheme for War Risk Insurance on commodities on land in British India and they sent to Bombay representatives of the Commerce Department to discuss the matter with the various Associations who had consulted them. The reports of these officers have now been considered and the Central Government are satisfied that a scheme is practicable.

2. At present the war risk covered by the description King's Enemy Risks is slight, but the Central Government recognise that if a scheme to cover such risks is generally desired it is necessary that, as the actuarial risks involved in such insurance are not calculable it should be introduced by Government and worked as a Government scheme.

If, however, such a scheme is introduced, it is necessary that it should be prepared on sound bases, which necessitate the initial building up of a fund from which claims can be met. This was the principle which was adopted in the United Kingdom where the original rate of premium fixed was ½ per cent. per month which was subsequently reduced to ¼ per cent. per month.

3. A rough outline of the scheme which the Central Government have under consideration is given below. It follows generally the lines of the United Kingdom scheme modified to suit conditions in India.

(*i*) Risks to be insured against; King's Enemy risks as defined in the United Kingdom Act, that is, generally speaking, risk of loss or damage caused by the acts of an enemy or by acts done in repelling an enemy.

(*ii*) Commodities to which the scheme will apply.

All commodities, except those such as growing crops, coal, cement, certain metals and other ores which are excepted in the United Kingdom scheme and mineral oils of all descriptions.

(*iii*) War Risk Insurance will be compulsory in the case of all stocks of commodities of a value of Rs. 20,000 or more which are insured against fire, and voluntary in the case of stocks of commodities which are not insured against fire or which are insured for a less sum than Rs. 20,000.

(*iv*) The rate of premium will be fixed at three monthly intervals and will be adjusted (either by increase or decrease) on the basis of experience. The rate proposed in the first instance is $\frac{1}{8}$th per cent. per month which is $\frac{1}{4}$ of the original British rate.

(*v*) The scheme will be administered by Fire Insurance Companies in India as Agents of the Central Government.

(*vi*) Premiums received will be paid into a Fund. Claims will be met from the Fund but if the Fund proves insufficient to meet claims the necessary contribution to the Fund will be made from General Revenues. If at the end of the War the balance in the Fund is in excess of claims, that balance will be credited to General Revenues.

Various Associations in India are being consulted on these proposals and on receipt of their replies which have been asked for urgently, the matter will be further considered by the Central Government.

The Committee took advantage of the visit to Bombay of the Hon'ble Dewan Bahadur Sir Ramaswamy Mudaliar, Member for Commerce and Labour, to discuss the question informally with him on the 24th July 1940 and they subsequently submitted their views briefly as follows to the Government of India. The Committee stated that the suggested premium of $1\frac{1}{2}$ per cent. per annum was too high and for at least the first three months should be kept as far as possible to a nominal figure in order to encourage all interested parties to subscribe, thereby making it possible for Government to arrive at a fairly accurate estimate of the amount of business offering, with which knowledge they would be in a better position to adjust the future rate of premium. The Committee added that they considered the

introduction of the compulsory insurance scheme as of the greatest importance and would be prepared to accept the proposed premium of 1½ per cent. per annum rather than run any risk of the scheme not being put into operation.

The Ordinance to make provision for the insurance of goods in British India against damage by enemy action (Ordinance No. IX of 1940) was published in the *Gazette of India Extraordinary* of the 26th August 1940. The Rules under the Ordinance were also published in the same *Gazette Extraordinary*. The Ordinance and Rules came into force from 1st October 1940 and insurance was made compulsory throughout British India with effect from 1st November 1940.

The following Press *communique* was also issued by the Government of India on the 26th August 1940 :—

The Central Government have carefully considered the objections raised by various commerical interests to the scheme proposed for war risk insurance on goods in British India. These objections referred mainly to three points—the compulsory nature of the scheme, the rate of premium proposed, and linking compulsion with fire insurance. There was, however, general agreement that some scheme should be introduced.

The Central Government are satisfied that in order to secure the free movement of goods—and such free movement has an important bearing on the maintenance of commodity prices throughout India—it is necessary that merchants should be in a position to insure their goods against war risks. Though these war risks may seem at present more imminent in some places than in others, it would be not only inequitable but also detrimental to the free movement of goods either to place the whole cost of insurance on merchants in those areas or to provide for differential rates of premium for different areas. The Central Government are therefore satisfied that it is necessary that the cost of meeting these risks should be spread among the persons chiefly concerned over the whole of India, and they feel that the fairest and most suitable method of achieving this end is by making insurance compulsory throughout India at as low a rate of premium as possible and thereby spreading among all sellers of goods the probable cost of making good damage that may be caused to the goods of a few. They consider further that it is better not to link compulsion with fire insurance, as otherwise a tendency might develop to give up fire insurance.

Government have therefore decided to introduce a scheme of compulsory war risk insurance on goods on land or inland waterways in India. Under this scheme Government will themselves be the insurer and will make it compulsory for all sellers of goods (other than certain goods that are excepted) holding goods to a value of Rs. 20,000 or more in any district or Presidency Town to insure such goods against War Risks. The initial rate of premium has been fixed at half anna per cent. per month which is one-quarter of the rate originally suggested. This rate of premium will remain in force for three months after which it will be adjusted in the light of future developments.

An Ordinance to give effect to the scheme has been approved by the Governor-General and that Ordinance together with certain Rules is being published to-day. The scheme will not, however, be brought into effect at once as there must be some short delay while the necessary arrangements are being made with the insurance companies to act as agents of the Central Government for the administration of the scheme.

The scheme does not provide for insurance against war risks of buildings, machinery and other forms of immovable property. The Central Government do not consider that an insurance scheme is a suitable manner for dealing with possible damage to immovable property resulting from war risks and they are closely examining the feasibility of adopting as an alternative the procedure that has been adopted in the United Kingdom. In that country a Committee has been appointed to estimate the extent of any damage caused to immovable property by war risks as soon as such damage occurs and the Government have announced that they will on the conclusion of the war, ask the Legislature to agree to give compensation to such extent as may be found possible in consideration of the total amount of damage that may have been suffered.

In October 1940 the attention of the Chamber was drawn by a member to Clause 11 of the second schedule of the War Risk (Goods) Insurance Rules, 1940, which provided only for persons carrying on business of banking to be entitled jointly with the insured to the rights granted to the Insured under the policy. This allowed the name of any bank to be inserted in the policy after issue, if the bank became interested in the goods subsequent to the issue, of the policy. It would appear that banks were put in rather a privileged position as opposed to merchant firms who were in the practice of making advances against commodities while they were in course of transit or stored in ware-

houses in India. The resulting position was that the goods against which merchant firms had made advances while they were stored or were in course of transit in India had to be insured twice within the first three months period, i.e., first by the original owner and secondly by the mortgagees.

The position as the Committee understood it was that if a seller upcountry had all his goods covered under one policy and sold a portion thereof, then a portion of such policy could not be assigned. If, however, the goods were separately insured and those covered by one policy were sold or hypothecated to a different owner, the Committee failed to see why the title and interest in the policy could not be transferred at the same time as the goods.

The Committee accordingly addressed the Government of India in the matter and recommended that the rules should be amended so as to permit a policy issued under the Ordinance to be assigned either to a Bank or to a merchant firm which advanced money against the commodity covered by the policy. Government, however, intimated that the Ordinance did not admit of the alteration of the Rules in the manner suggested and they saw no necessity for amending the Ordinance so as to make the alteration possible.

The Committee in reply asked Government for an amplification of the considerations which led to the view that the War Risk (Goods) Insurance Ordinance 1940 did not admit of the alteration of the War Risk (Goods) Insurance Rules in the manner suggested by the Chamber.

It appeared to the Committee that the question as to whether a policy should be assignable was bound up with the question of ownership which was dealt with in Section 4 of the Ordinance. And the definition of ownership in the Ordinance did not appear to be linked in any way with the business of banking.

There would appear to be some doubt as to whether a policy should not be assignable, for Rule 11 in the second schedule of the Rules permitted what was in fact an assignment provided certain conditions were complied with.

The condition which permitted of the operation of Rule 11 in the second schedule appeared to be related to the definition of ownership expressed in Section 4 (a) (ii) of the Ordinance. This definition of ownership was not restricted to "persons carrying on the business of banking," and it appeared to the Committee that there could be no objection to any other persons being included provided they were such persons as were at any time entitled conditionally or unconditionally to have the property in the goods vested in them.

The Committee's suggestion, therefore, was that Rule 11 in the second schedule might be amended by the deletion of the words "persons carrying on the business of banking." For the words deleted, it was suggested that the words "person or persons entitled conditionally or unconditionally to have the property in the goods vested in him" should be substituted.

The Committee urged Government to give further consideration to this request, as the question was one of considerable importance to many firms who advanced money against goods and who might or might not be carrying on the business of banking.

Censorship Regulations—Code Telegrams.

(*See Report* 1939, *page* 29.)

As a result of negotiations in the United Kingdom the use of the following codes was permitted by the United Kingdom Telegraph and Censorship authorities with effect from 1st January 1940:—(*a*) Bentley's Second Phrase Code; (*b*) Bentley's Complete Phrase Code; (*c*) A. B. C. Code, Sixth Edition; (*d*) Petersen's International Code, Third Edition.

The need for similar facilities in India was pressed by the Associated Chambers of Commerce of India on the authorities in this country.

In January 1940 the Associated Chambers intimated that the British National Committee of the International Chamber of Commerce who had been urging on the British Government the extension of the list of public codes which might be used, had stated that they had a promise from the authorities that when the censorship had gained experience in dealing with coded messages, the list of public codes permitted would be extended. They, therefore, asked for an expression of the views of commercial interests in India as to which other well-known codes should be recommended to the censorship authorities in the United Kingdom.

The Committee recommended that apart from the addition of the A. B. C. 6th Edition and Petersen's International 3rd Edition Codes there should be added to the list the following codes :—(1) Universal Trade Code. (2) Buenting's International Cotton Code. (3) Schofield's Code.

The Associated Chambers subsequently addressed the British National Committee of the International Chamber of Commerce, London, and the Chief Censor, Army Headquarters, New Delhi, recommending that the following codes, approximately in the order stated, should be added to the existing list :—(1) The Acme Code. (2) The Universal Trade Code. (3) The New Standard Half Word Code. (4) The Buenting International Cotton Code. (5) The A. B. C. 7th Edition. (6) Schofield's Code. (7) The New Standard, 5th Edition. (8) The Lombard Code. The Associated Chambers suggested that these recommendations might be borne in mind when consideration was being given to the question of adding to the existing list in collaboration with the censorship authorities in the United Kingdom and other affected countries.

The Associated Chambers also urged that arrangements should be made at an early date for the use of abbreviated addresses in foreign telegrams, both as address and as

signature. It was pointed out that under existing conditions much unnecessary expense was incurred by having to use full addresses and to sign in full the name of the addressor.

The underquoted Press *communique* was issued by the Defence Department of the Government of India on the 29th June 1940 :—

"It is notified for general information that in extension of the concession already granted of the use in foreign telegrams of the four commercial codes, Bentley Second Phrase, Bentley Complete, A.B.C. sixth edition and Petersens International third edition, it has now been decided to permit with effect from 8th July 1940, the use of the following five additional codes :—ACME COMMODITY AND PHRASE, LOMBARD SHIPPING, LOMBARD GENERAL, NEW STANDARD THREE-LETTER AND NEW STANDARD HALF-WORD, to countries other than enemy countries and countries in enemy occupation which admit such code telegrams.

2. Telegrams in any of these additional codes originating in India must in the orders of the codes above mentioned have the abbreviation ACME, LOMSHIP, LOMGEN, STANTER, STANHALF, as the case may be, inserted in the place for, and after any route indication. No charge will be made for the word.

3. All code telegrams originating in India will be liable to censorship. They must be handed in to the Central Telegraph Office at the town of origin accompanied by a translation of the telegram in clear English, for the benefit of the Censors.

4. A surcharge of one rupee will be payable for each code telegram.

DESPATCH OF SHIPPING DOCUMENTS IN SHIPS' BOXES.

In February 1940 the Board of Trade made arrangements whereby, in England, consignees' mail could be carried in ships' boxes in order that shippers might be assured of the arrival of essential documents at the port of destination at the same time as the goods to which they related. The Committee of the Chamber took the matter up with the Senior Naval Officer, Royal Indian Navy, Bombay, with a view to similar arrangements being made for the carriage of documents pertaining to outward consignments from the port of Bombay. The Naval Authorities in reply stated that they were prepared to collaborate in the despatch of shipping documents in accordance with the

Chamber's request and that shipping agents in Bombay were being informed that the scheme would be put into operation on 1st April 1940.

On the 28th October 1940 the Department of Commerce of the Government of India issued a Press *communique* intimating in effect that the scheme would come into force at all ports in British India as from 10th November 1940.

SPEEDING UP OF THE TURN-ROUND OF SHIPPING—ABOLITION OF PENALTY FEES FOR WORKING VESSELS ON SUNDAYS.

In December 1939 the Flag Officer Commanding, Royal Indian Navy, requested the Chamber to afford such assistance as it was able in the matter of speeding up the turn-round of shipping running between India and the United Kingdom.

The Committee accordingly addressed the Bombay Port Trust and the Collector of Customs in the matter and pointed out that both authorities levied penalty fees on Sundays and Public Holidays in order to discourage working on these days. In view, however, of war conditions the Committee considered that the desired speeding up might be substantially aided if the Port Trust and the Customs Authorities did not discourage working on these days and were prepared to bill the shipping companies with the actual costs incurred in lieu of the penalty fees levied at the moment.

The Committee also informed the Collector of Customs that they believed that one cause of the delay that was being experienced was the late presentation of shipping bills. This was occasionally due to the fact that in order to fill up space available through short shipment, cargo was booked to replace this a day or so before the steamer sailed which did not give the shippers much time to get the shipping bills through the Customs. The Committee requested the assistance of the Customs Authorities on these particular occasions.

The Collector of Customs informed the Chamber that the levy of penalty fees could not be waived without the sanction of the Government of India and that a copy of the Chamber's letter had accordingly been forwarded to the Central Board of Revenue. In regard to the question of facilities being granted for getting shipping documents through the Custom House the Collector drew attention to a circular, War No. 8 dated 19th December 1939, issued by him pointing out that it was both desirable and essential that shipping bills and transhipment permits should be presented as much in advance as possible in order to avoid delays owing to the extra scrutiny of documents that was necessary. It was accordingly intimated that as a temporary measure applications for Entry Outwards of vessels might be presented in the Custom House not more than 144 hours before the actual arrival of the vessel.

Subsequently, the Government of India decided, for the duration of the War, to reduce the penalty fees levied on vessels for working cargoes on Sundays and closed holidays to one-half of the fees previously charged. The Port Trust also, in the meantime, introduced, for the duration of the War, the following scale of charges for Sunday work, which split up the previous charge of Rs. 300 according to the period for which a ship worked and provided specifically for cases in which vessels required to work for only a part of the 24 hours.

		Rs.
Day Work	8-0 a.m. to 6 p.m.	100
Night Work	7-30 p.m. to 3-30 a.m.	130
Half Night	7-30 p.m. to midnight or 3-30 a.m. to 6 a.m.	70

In addressing the Collector of Customs in regard to the reduction in the Customs charges, the Committee pointed out that this important question of speeding up the turn round of shipping was brought to his notice by the Chamber on the 27th December 1939. A delay had occurred in arriving at a decision of approximately 9 months. The Committee

regarded this as most regrettable and suggested that the Government of India's attention should be drawn to it.

The decision to reduce the rate of penalty fees levied on vessels for working cargoes on Sundays and closed holidays to one-half of the existing rates was welcomed, but the Committee were unaware of the extent to which these penalty fees consisted of actual costs incurred by the Customs and to the extent to which they were really penalty fees. If the remaining 50 per cent. formed in any way part of the penalty and not expense incurred, they were of the view this should also be abolished, as in time of war there should be no question of any penalty being imposed for helping to speed up the turn round of shipping.

The Committee asked for an assurance on this point.

The Collector informed the Committee, however, that the Government of India declined to make any addition to their previous statement, i.e., that the decision in regard to the reduction in fees was arrived at after full consideration of all factors involved including the expenditure debitable to the proceeds of these fees. The Committee decided to await a suitable opportunity to take the matter up again.

Goods Consigned on Enemy Vessels and Undelivered.

(*See Report* 1939, *page* 36.)

It was stated in the Report for 1939 that the London Chamber of Commerce were negotiating for the release of cargoes on German ships sheltering at neutral ports.

On the 3rd February 1940 a cable was received from the London Chamber to the effect that the German ship-owners had broken off negotiations and that the Chamber's offer of five per cent. had been withdrawn. The Chamber added that with Government's approval arrangements were being made to enable cargo owners to take concerted legal action and enquired whether this Chamber supported the proposal.

A meeting of all interested members of the Chamber was immediately called to consider the question. The meeting, however, was unable to decide whether or not to support the proposal in the absence of details of the reasons for the failure of the negotiations and the following cable was consequently despatched to the London Chamber :—

"Yours third, Chamber unable decide whether to support, pending further details which please cable intimating whether negotiations failed insufficient percentage offer, if so what percentage acceptable, also if suggested legal action centralised London or at ports concerned, also approximate percentage cost such action and likely involved time. Generally felt definite percentage preferable to cost and uncertainty legal action. Indian cargo owners chiefly concerned Hansa."

The following reply was received from the London Chamber :—

"Your cable sixth negotiations broken because Germans continually introduced fresh unacceptable demands. Full particulars posted airmail and supplied India Office who cabling Government of India. Cabling particulars concerted legal action plan later. Uhenfels application removal to UK granted particulars sent airmail thirtieth January sailing date unknown."

Members interested were kept fully informed by circular of the developments that took place subsequently. For purposes of record and general information these developments are summarised below.

The Government of India in a press note dated 17th February 1940 stated that they had occasion to consider whether in the event of a settlement being reached for the recovery of cargoes on enemy ships in neutral ports, owners of such cargoes could be permitted to employ agencies outside British India for making the necessary payments to the enemy shipowners and obtaining delivery of the goods. In view of the delicate nature of the transactions involved which called for strict control by the Government of India, it had been decided that the employment of agencies outside British India could not be permitted.

The attention of the Government of India had been drawn to the offers being made by enemy shipowners through their agents in Marmagoa for the release on certain terms of Indian-owned goods at present on board German vessels sheltering there. All who might be concerned were warned that the publication of these offers in British India, by newspaper advertisement or otherwise, or the attempt by persons in British India to obtain release of such goods on the terms offered, except under an authority given generally or specially by the Central Government, might constitute an offence and be punishable under the provisions of the Defence of India Rules prohibiting trading with the enemy.

In setting out the events which culminated in the breaking off of the negotiations with the German shipowners, the London Chamber stated that in order to reach a quick settlement the British representatives were prepared to increase the contribution from 2 per cent. to 5 per cent. and the Germans on their part were prepared to accept this figure, but introduced certain other conditions which they wished included in the agreement but with which the British representatives were not competent to deal before referring them to the British Authorities. The fresh points raised by the Germans were—

(*i*) The removal of German vessels from certain Italian East African ports, totally unequipped for discharging and handling cargoes, to Massawa ;

(*ii*) A plan for mutual exchange of missing shipping documents ; and

(*iii*) Payment to the Germans of pre-paid freight which their agents had not had time to remit before September 3, 1939, and which had been handed over to the Custodian of Enemy Property.

The question of the removal of ships was decided in the affirmative, providing the Germans came to an agreement with the London Chamber, for it was obviously in the interests of cargo-owners to have their vessels moved to a port where there were facilities for dealing with the cargo. The other two points were, in the opinion of the Committee of Cargo-owners, extraneous to the general agreement,

although in the case of the plan for an exchange of documents some arrangement might be reached quite apart from the agreement.

In the meantime it had been decided to get delivery of cargo wherever it was possible to do so on the terms proposed by the Germans, i.e., by a payment of 5 per cent. *ad valorem* contribution inclusive of all landing charges, and payment of full freight where that had not been already pre-paid. Cargo was being released on these terms from the s.s. " Lahn " at Montevideo, and part of the cargo from the s.s. " Stassfurt " at Tjilatjap and the s.s. " Cassel " at Sourabaya following action in the Courts. The s.s. " Lahn " (Montevideo) and the s.s. " Windhuk " (Santos, Brazil) were both detained at their ports of refuge by application to the local Courts as there were grounds for apprehension that they were on the point of leaving in an attempt to reach Germany, and it was felt that they might very probably scuttle themselves if challenged by hostile craft and thereby cause a total loss of the cargo.

On the 21st January 1940 the London Chamber called upon the Germans to accept the final amended terms forthwith, failing which the offer would be withdrawn. At the same time the Chamber reiterated its willingness to examine the proposals for an exchange of missing documents as soon as the general agreement was put into operation if they would send details showing the types of cases with specific examples.

On the 30th January the Germans accepted the Chamber's terms but demanded the simultaneous signing of a second agreement embodying a plan for an exchange of documents and submitting a list of specific cases.

Upon examination it was found that the cases referred to shipments in the s.s. " Geierfels " for which full sets of documents were held in the United Kingdom but for which the German shippers had not received payment, the relative amounts having either been surrendered to the Custodian of Enemy Property or were being held by banks against

balances due to them from their German correspondents. There was thus no mention of missing documents to be exchanged but there was missing cash which the Germans were anxious to obtain. It became clear that the German Government were employing shipowners to act as debt-collecting agents for German exporters, and were pursuing the same tactics which they had applied with so much success in the field of diplomacy, namely using each concession as a jumping-off ground for fresh demands. Subsequently the shipowners submitted further cases involving Bills of Lading in the following instances :—

(1) Documents seized by the British censor authorities;

(2) Documents in possession of British banks against reimbursement credits;

(3) Documents in possession of Custodians of Enemy Property in the British Dominions and Colonies;

(4) Documents in possession of British banks with instructions to deliver against cash.

In all these cases the Germans asked for the delivery of the relative documents in exchange for which they would deliver cargo to British traders against delivery of incomplete sets of Bills of Lading supported, however, by Letters of Indemnity.

The Committee of Cargo-owners considered this reply on the 1st February and came to the conclusion that it was useless to continue negotiations and that the Chamber's offer to pay full freight and a 5 per cent. inclusive contribution should be withdrawn and preparations made to institute concerted legal action for the recovery of cargo on the basis of paying distance freight only and no contribution.

On the 23rd February a cable was received from the London Chamber to the effect that at a capacity meeting of cargo owners held on the 21st February it had been decided to institute legal proceedings in order to harass the German shipowners into an agreement for the general release of cargo and that meanwhile no payments should be made for the release of individual cargoes. The Insurance interests

had provided a substantial fighting fund to ensure immediate action under the supervision of the London Committee and cargo owners were agreeing to deposit the maximum five per cent. of the c. i. f., invoice value at the time of release to cover the total legal costs which would be adjustable later to their *pro rata* share. The London Chamber felt that there were good prospects for an early success if a united front was maintained.

Information was also received by this Chamber to the effect that it had been decided, as one of the test cases, to take legal action at Marmagoa in connection with a shipment of 60 bundles of copper sheets on board the s.s. "Braunfels."

A meeting of members of this Chamber interested in the cargo on German vessels lying in neutral ports, was held on Friday, 1st March 1940, when it was unanimously decided to send a cable to the London Chamber according support to the action taken by that Chamber in bringing legal proceedings.

In April 1940 the following Press Note was issued by the Government of India :—

"The attention of owners of cargoes on board enemy ships which have taken refuge in neutral ports is drawn to the provisions of Rule 98 of the Defence of India Rules, whereby trading with the enemy except under general or special authority given by or under the orders of the Central Government is forbidden. The recovery or attempted recovery of cargoes on enemy ships, or correspondence in connection therewith, is trading with the enemy, and except in so far as permission has been given by the Central Government, is an offence under the Defence of India Rules and punishable as such.

The Central Government have been in correspondence with the London Chamber of Commerce regarding the general terms on which the release of cargoes in all ports can be permitted, but as yet enemy shipowners are not prepared to accept the terms considered reasonable, and cases are therefore being filed in the appropriate neutral ports.

As soon as the general terms on which release can be permitted have been settled, it is the intention of the Central Government to give a general authority for the recovery of cargoes to Messrs. Cox & Kings (Agents) Limited, who are acting in this matter on behalf of the London Chamber of Commerce, and the question of giving special authority for recovery by other means will be considered.

Meanwhile the Central Government are not prepared to grant permission to anyone to enter into negotiations with enemy shipowners or their agents. All cargo owners are therefore warned that any act for the recovery of such cargoes by private negotiation, other than the filing of documents with agents in British India, constitutes an offence under Rule 98 read with Rule 121 of the Defence of India Rules."

On the 20th June 1940 the Government of India issued a Press *communique* intimating that in view of Italy's entry into the war, cargoes on board German ships which had taken refuge in ports in Italy or Italian possessions must be treated as irrecoverable. The owners of such cargoes were accordingly advised to send detailed particulars of their claims together with copies of relevant documents to the Director General of Commercial Intelligence and Statistics, Calcutta for registration.

Meanwhile the Government of India by means of a further Press *communique* intimated that there was no legal bar to owners negotiating individually for recovery of cargo on German ships in Dutch East Indies ports. The Dutch authorities were willing to hand over cargo to owners on payment to Dutch Custodian of Enemy Property of the amount to which German shipowners would have been legally entitled, but the Government of India believed that better terms of release would be obtained and recovery expedited if negotiations were carried on by a single body on behalf of cargoes owners, and that such general negotiations would help to solve the problem of shipment to India. They understood that the London Chamber of Commerce, with the support of His Majesty's Government, was trying to arrange for a ship to bring Indian cargoes to India and if this was arranged, time and transhipment costs might be saved.

In these circumstances, the Government of India advised Indian cargo owners to wait a little before undertaking separate negotiations.

At a later date the Government of India intimated that they understood that agreement had been reached between

the London Chamber and the Netherlands Indian Government whereby owners might obtain release of such cargoes by making the following payments :—

(1) Full freight where not paid already.

(2) Contribution of 4½ per cent. of pre-war c.i.f. invoice value of goods shipped in vessels of the Hamburg-Amerika Line, and 3½ per cent. of pre-war c.i.f. invoice value of goods shipped in all other vessels.

(3) A charge of 3 guilders per ton weight, or measurement, at ship's option to cover discharge costs and warehousing up to 4th August 1940.

These payments were on account of Netherlands Indies Government's actual expenses in connection with the custody and removal of ships and the discharge and custody of cargoes up to 4th August 1940. Any surplus was to be refunded to cargo owners by the Netherlands Indies Government who would have no further claim against them. On the other hand cargo owners who elected to take delivery of the goods on these terms must likewise renounce any claim they might have against the steamers.

Delivery would be given on making the above payments and on presentation of at least one signed and endorsed copy relative to the Bill of Lading. Where Bills of Lading were incomplete cargo owners would be required to provide a first class Dutch Bank guarantee for twice the pre-war c.i.f. invoice value relative to the goods before the latter could be released.

In addition to the above payments, all those who got their cargo released on these terms had to make a deposit (to be adjusted later) of 5 per cent. of the pre-war c.i.f. invoice value to cover legal expenses incurred by the London Chamber.

On the 19th November 1940 the Government of India issued the following Press *communique* :—

" His Majesty's Government in the United Kingdom have adopted the following scheme for the recovery of cargoes on Italian, French and other enemy ships (but not German ships) which have taken refuge in neutral ports :—

(1) An Enemy Shipping Claims Committee consisting of Mr. C. W. Bateson of Messrs. Thomas Cooper & Co., London, Mr. J. W. Boyle of the Asiatic Petroleum Co., Ltd., and Mr. Henry Morgan of Messrs. Morgan Brothers & Co., London, will recover cargoes in any manner it thinks best, and will have unfettered discretion to settle a compromise or refrain from prosecuting any claim.

(2) Cargo owners are given the choice of permitting the Committee to negotiate for their cargoes or of abandoning such cargoes until the end of the war, but all cargo owners are required by an Order issued under the Defence Regulations to send to the Committee full particulars of their claims.

(3) All costs, risks and responsibilities will be met in the first instance by the Committee, but when any cargo recovered is returned to its owner he will be required to pay all expenses incurred in its recovery *plus* 5% (or such other percentage as may be decided upon by the Committee) of the c.i.f. value of the cargo as contribution to the overhead and administration expenses of the Committee. Any excess out of the 5% over actual expenses will be returned to the owners later.

2. His Majesty's Government consider it desirable that the Committee appointed by them should be the sole authority for dealing with the claims of cargo owners not only in the United Kingdom but also in other parts of the Empire, since in their view the more claims the Committee handles the stronger will be its negotiating power. They have therefore invited India and other parts of the Empire also to come into the United Kingdom scheme.

3. The Government of India are satisfied that the United Kingdom scheme offers cargo owners in India better prospects of securing their cargoes than if they are allowed to act on their own, and have decided to adopt it. They understand that the Committee has been specially empowered to deal with cases expeditiously, and that the bold methods contemplated are likely to yield better results than ever before obtained in connection with this difficult subject. The Government of India are accordingly issuing an order under the Defence of India Rules, requiring cargo owners in British India to submit a return giving full particulars of their claims in respect of goods on Italian, French and other ships (but not German ships) in neutral ports. This return should be submitted by all concerned, and the covering letter should indicate whether owners decide to indicate to negotiate for the return of their goods through the Enemy Shipping Claims Committee or to abandon their goods until the end of the war. If cargo owners intend to abandon their goods till after the war they should also register their claims with the Director-General, Commercial Intelligence and Statistics, Calcutta. They will not on any account be permitted to undertake any private negotiations."

In connection with the question of claims for cargo on enemy ships the Government of India, in the Department of Commerce, on the 23rd November 1940 issued the following Notification :—

Notification No. 135–*M.I.W.* (48)/40 *dated New Delhi,*
23rd November 1940.

Department of Commerce—Merchant Shipping (*War*).

" In exercise of the powers conferred by sub-rule (2) of rule 81 of the Defence of India Rules, the Central Government is pleased to make the following Order, namely :—

1. This Order may be called the Cargoes and Claims (Information) Order, 1940.

2. In this Order—

(*a*) The expression " enemy " has the same meaning as in Part XV of the Defence of India Rules.

(*b*) The expression " ship to which this order relates " means a ship owned or controlled by any person who is an enemy.

3. Any person who at the date of this Order carries on any undertaking by way of any trade or business and—

(*a*) owns or has any legal or beneficial interest in any cargo lying in a ship to which this Order relates (other than a ship owned or controlled by a person who was an enemy prior to the 9th day of April 1940), or in any cargo which having been landed from such a ship, is in the possession or control of the owner, charterer or master or any ship ; or

(*b*) has or claims to have any cause of action whether in respect of any such cargo or otherwise against any such ship or against the owner, charterer or master thereof,

shall within one month of that date send to the Secretary to the Government of India, Department of Commerce, New Delhi, three signed copies of a return in writing, specifying so far as is practicable the following particulars as at that date, that is to say—

(*i*) the nature, quantity and value of any such cargo, stating where, and in what ship it is lying or, if not on board ship, where, and in whose possession or control it is :

(*ii*) the nature of any document in his possession or control evidencing his ownership of or interest in any such cargo ;

(*iii*) the date and amount of any payments made by him in respect of freight charges of any such cargo, stating to whom such payments were made ;

(*iv*) the port of loading and the port of destination of any such cargo ; and

(v) the nature and extent of the cause of action that is claimed to exist in respect of any such cargo or otherwise against any ship to which this Order relates, or against the owner, charterer or master thereof."

Advertisement of German Goods.

On the 18th March 1940 the Hon'ble Mr. R. H. Parker asked the following question in the Council of State :—

"Will Government state the principles which are applied when deciding whether to allow concerns which carry on business in this country to advertise goods made in a country which is now at War with His Majesty ?"

The following reply was given :—

"Government see no reason for objecting to the advertisement of goods of enemy origin which have been lawfully imported into this country. Adequate precautions are taken to secure that unauthorised importations of such goods do not take place."

Subsequently the Committee drew the attention of the Government of India to an advertisement in connection with certain German pharmaceutical products which had appeared in the local Press. On enquiry it transpired that the advertisement referred to certain goods which had been purchased from the Controller of Enemy Firms but no mention of this fact was made in the advertisement. The Committee felt that the consequent psychological effect on the mind of the public would be that German goods were being regularly imported into India, especially in view of the words "we have the pleasure to announce that the following products are now available." Such advertisements would thus give an entirely wrong impression. The Committee therefore suggested that instructions should be issued to all Controllers of Enemy Firms that in all advertisements of goods purchased from them a statement should be included to that effect. Furthermore, such statements in any advertisement should be of a prominence equal to any other statement in the same advertisement.

As a result of this representation the Chief Press Adviser issued a press note to the effect that in every advertisement of goods of enemy origin it must be clearly

stated either that the goods were purchased from the Custodian of Enemy Property or that they were the property of the advertiser before the outbreak of war. Such statements should also be given the same prominence as any other statement in the same advertisement.

"QUEEN VICTORIA" SILVER COINS.

In October 1940 the Finance Department of the Government of India issued a notification stating that the Central Government was pleased to call in, with effect from 1st April 1941, all rupee and half-rupee coins bearing on the obverse the effigy of Her late Majesty Queen Victoria and directing further that on and from the same date the said coins would cease to be legal tender save :—(*a*) at the offices of the Issue Department of the Reserve Bank of India at Bombay and Calcutta till further notice ; and (*b*) at any Government Treasury or Post Office till the 30th September 1941.

In November 1940 the Associated Chambers of Commerce of India asked for the views of this Chamber on a suggestion made by the Upper India Chamber of Commerce that the Government of India should be addressed with a view to the extension of the period during which these coins would be received as legal tender at any Government Treasury or Post Office.

The Committee in reply informed the Associated Chambers that they did not approve of the suggestion. They pointed out that Victoria coinage was being steadily withdrawn during recent years and it had in fact almost ceased to be legal tender, so widespread was the suspicion about its soundness. Government had tried to counter this suspicion by notices in Post Offices, etc., and finding it useless, decided to withdraw the rest of this coinage as soon as possible, which action on the part of Government was fully supported by the Committee.

STAMP DUTY ON INLAND CURRENCY BILLS AND PROMISSORY NOTES.

(*See Reports* 1926, *Vol. I, page* 105 ; 1937, *page* 32.)

At the annual general meeting of the Associated Chambers of Commerce of India held in December 1939, the following resolution was carried unanimously :—

"This Association directs the attention of the Government of India to the resolutions on the subject of stamp duty on inland currency bills adopted in 1937 and 1938 and again urges upon Government the desirability of considering, independently of the stamp duty on cheques, the Reserve Bank of India's recommendation that the rate of stamp duty on inland currency bills of less than one year's usance be reduced to two annas per thousand rupees with a view to encouraging their use in the finance of the inland trade and agriculture of the country."

A copy of the resolution was in due course forwarded to the Government of India, Finance Department, for favourable consideration and the following Notification No. 1, dated 13th January 1940 was issued by the Government of India, Finance Department (Central Revenues) —Stamps :—

"In exercise of the powers conferred by clause (*a*) of section 9 of the Indian Stamp Act, 1899 (II of 1899), the Central Government is pleased to reduce the duty chargeable under the said Act on a bill of exchange made or drawn in and payable in British India where payable otherwise than on demand but not more than one year after date or sight, to two annas for every one thousand rupees or part thereof of the amount of the bill."

The following further Notification No. 5 was issued by the Finance Department (Central Revenues) of the Government of India on the 23rd November 1940 :—

"In exercise of the powers conferred by clause (*a*) of section 9 of the Indian Stamp Act, 1899 (II of 1899), the Central Government has been pleased to reduce, with effect from the 13th January 1940, the duty chargeable under the said Act on a promissory note made or drawn in and payable in British India where payable otherwise than on demand, but not more than one year after date or sight, to two annas for every one thousand rupees or part thereof of the amount of the promissory note."

ELIMINATION OF PIES FROM COMMERCIAL TRANSACTIONS.

(*See Reports*, 1924, *page* 51 ; 1939, *page* 51.)

In January 1940 intimation was received through the Associated Chambers that a large majority of the commercial interests which the Bengal Chamber represented had expressed their willingness to enter into an understanding with their business connections mutually to eliminate pies from transactions between them by treating six pies and upwards as one anna and by disregarding amounts of less than six pies. Such arrangements would, of course, relate only to total amounts due and not to rates or quotations per unit or per cent. The Bengal Chamber suggested that lists of those willing to enter into such an arrangement might with advantage be exchanged and circulated through the medium of the Associated Chambers, the Federation of Indian Chambers of Commerce and Industry and through individual Chambers of Commerce, so as to facilitate the wider adoption of the system with a view eventually to influence the introduction of legislation should such be found to be the general desire.

Members of this Chamber were requested in February 1940 to submit their views on the question of the adoption of similar voluntary and mutual arrangements on a wider basis in commercial circles locally and throughout India as a whole.

The Committee subsequently submitted to the Associated Chambers of Commerce of India lists of members of this Chamber who in the absence or pending the introduction of legislation were willing to enter into an understanding with their clients and business connections by treating six pies and upwards as one anna and by disregarding amounts of less than six pies. In forwarding the above lists the Committee pointed out that in the case of Banks although they were prepared to eliminate pies in domestic transactions with those of their constituents who had signified their agreement to the proposal, it must be clearly understood

that failing all-India legislation on the subject, in the case of cheques, drafts, etc., a Bank was not in a position in any way to vary its constituents' mandate where pies were concerned.

The Reserve Bank of India also considered that the proposal would be impracticable in the absence of legislation and in so far as there had been no marked changes in the banking and investment habits of the people since this question was examined in 1923, they were of opinion that such legislation would not be justified at the present juncture.

The Committee, however, felt that the matter should not be dropped and suggested that the Associated Chambers should sponsor a private member's Bill to initiate the necessary legislation. They pointed out that while 17 years ago the opposition was on the part of the Exchange Banks' Association their approval was now forthcoming and so was that of the majority of the members of the Bombay Bankers Clearing House.

The Associated Chambers considered however that such a step would be in advance of public opinion as a whole and that while its possibilities should not be lost sight of, any move in that direction should be postponed until there was further evidence of the widespread desire of commercial interests throughout India that legislation should be undertaken.

BANKING LEGISLATION.

(*See Reports*, 1929, *Vol. I, page* 60 ; 1930, *Vol. I, page* 17.)

In November 1939 the Reserve Bank of India submitted to the Government of India in the form of a Bank Bill a series of proposals for the control of Banking in India. It was contended that these proposals did not purport to cover the whole range of problems connected with the provision of credit. All the Reserve Bank wished to secure at this stage was the limited but essential preliminary of a

net-work of properly run and financially sound banking institutions which would enable them to co-ordinate the credit structure of the country, and more fully utilise the powers of extending credit provided by the Reserve Bank Act.

The main features of the proposals might be summarised as follows. In the first place an attempt was made to achieve a simpler and more restricted definition of banking and banking companies than the one given in Section 277F of the Indian Companies Act and to remedy the existing anomaly under Section 277(G) (1) of that Act under which institutions incorporated prior to the 15th January 1937 might continue to call themselves banks and yet refuse to comply with the statutory provisions relating to banking companies. Secondly, it was sought to ensure that an institution calling itself a bank had sufficient capital to enable it to operate on a scale large enough to make it possible for it to make a reasonable working profit, even if it confined itself to proper banking business, and that banks with inadequate resources would not open branches in the larger towns where the needs of the public were already being reasonably well catered for. The bill also sought to prescribe certain statutory proportions between the authorised, subscribed and paid-up capital of banking companies in order to stop the issue of prospectuses with a very large authorised capital and then commencing business irrespective of the amount subscribed or paid-up while the entirely imaginary figure of the authorised capital still remained on their advertisements to gull the unwary. Thirdly, the bill contemplated certain moderate restrictions on bank investments in order to protect the depositors and further for protecting British Indian depositors in the case of banks incorporated outside British India. Lastly an attempt was made to provide for expediting and simplifying the liquidation proceedings so that in the event of a bank failing the depositors might be paid off with the minimum delay and litigation expense.

The Bill was referred to a Special Committee of the Chamber for consideration, and in addressing the Reserve Bank of India subsequently on the lines of the Special Sub-Committee's report the Committee offered the following comments.

In more than one place the memorandum referred to the recent Insurance Act. It might be that the Reserve Bank had been influenced by the analogy of recent Insurance legislation, but in the Committee's opinion it was doubtful whether any such analogy was valid. Insurance legislation was primarily intended to protect a small man who did not ordinarily possess a banking account—who had little knowledge of money matters—who had given hostages to the distant future in the form of continued contributions from a current income which permitted of no risks or losses. The security of the company to which such contributions were paid, and from which they could not be withdrawn, was a matter of national interest. The security of a trading bank was primarily a matter of personal interest to a depositor who knew what he was doing and who was secured by the ability to withdraw his money on demand.

It was said that a " Bank Act " would foster a greater sense of security to depositors ; and there was no doubt that this would be so. Therefore, it was all the more important to be sure that suggested legislation would in fact ensure that stability which would justify a greater sense of security.

In this connection, paragraph 35 of the Memorandum was of particular interest. It was the view of the Reserve Bank that powers of inspection should not be given. It was thought that it would be very difficult for an inspector to arrive at a correct view of a bank's position. Ineffective inspection would merely create a false sense of security, and if inspection was to be avoided on grounds of probable ineffectiveness it might imply that the provisions of the law which were to be enforced were as undesirable on practical grounds as the inspection which was avoided on the same

grounds. The crux of the matter appeared to the Committee to lie in the implication inherent in the following sentence in paragraph 35 :—

"It is really only when bankors' advances come to be liquidated that their true value can be ascertained, and if an inspection is not to be effective it will merely tend to create a false sense of security in the minds of the public and throw all the onus of responsibility on those responsible for inspection in the event of a bank failing."

The implication the Committee had in mind was this —the capital of a bank might be what it will, the reserves and securities might be good and sound ; but if the advances were bad, no figures of capital or reserve would protect depositors. Now advances were granted on a basis of prudent commercial judgment and no legislation would create that judgment if it did not exist. The Reserve Bank admitted that inspection would be difficult, if not ineffective. Paragraph 38 of the Memorandum itself clearly supported the views just expressed.

The Committee stated that if the views they had expressed were adopted, a simple and clear issue emerged. It was this : the crux of a banking position did not lie in the nature or magnitude of its capital or reserves. It lay in the nature of its assets, and especially its advances. If the assets were immobilised to the extent of 30 per cent. would the nature of the remaining 70 per cent. tend to be (a) of a similar nature to the 30 per cent. or would they be (b) sent in search of higher compensating profits in more speculative and adventurous fields where inspection was difficult if not ineffective ?

The Committee's view was that (b) was the reply to the issue raised and they were of opinion that any Bank Act must have that consideration well in mind.

The object of the proposed Act was primarily the safeguarding of depositors. In the Committee's view, the provisions of the Bill would safeguard 30 per cent. of the assets of a bank. It would leave 70 per cent. free to follow any policy of "advances" and would encourage more speculative use of the 70 per cent. to ensure a better average

of profit for the whole 100 per cent. It might be said that 30 per cent. salvage was worth securing. But the real point was that the banking mentality which needed such outside control would probably be encouraged to greater speculation by the belief that Government had fixed the necessary percentage of 30 per cent. and by implication given a free hand in regard to the 70 per cent.

The Committee considered the definition of a banking company contained in the Companies Act to have been found satisfactory in practice. They thought the definition suggested in the Bill would facilitate evasion of just what the Bill endeavoured to control. This might be done by the simple procedure of avoidance of operation by cheque.

The Committee enquired as to what was meant precisely by a " suspension of the Bank Act." Paragraph 13 of the Memorandum referred to the analogy of the suspension of their Bank Act by the British Government. But it was the fact that the " suspension of the Bank Act " by the U. K. Government was a suspension of the legal requirements in the matter of either circulation of gold coinage or bullion, or the percentage of gold reserve to be held against the issue of currency notes. In the Committee's opinion, the analogy suggested was only the very slightest and had no real bearing on a suspension of provisions which controlled banking generally. When considering the detailed proposals, it must be remembered that the " suspension " contemplated was not intended to protect the currency of the country. It was a saving clause to permit the specific provisions of an Act controlling general banking to be avoided at discretion.

It would be appreciated that, generally speaking, the Committee did not support the Bill as drafted, but there were many points which in their view were desirable and should be supported. These were as follows :—

(*a*) If a reasonable and working definition of ' banking ' and of ' banking company ' was obtained, the Committee agreed with the principles of clauses 5 and 6.

(*b*) They did not agree with the principle expressed in Clause 7 (1). They considered that 5 lacs should be the minimum paid-up capital of any banking company. They agreed with the principle expressed in Clause 7 (2) and (3).

(*c*) The Committee agreed with the provisions of Clauses 8, 9 and 10.

(*d*) They agreed with the provisions of Clause 13.

(*e*) They were in general agreement with Part III of the Bill and also with the Memorandum dealing with that part of the Bill and especially the suggestion that the Reserve Bank should become statutory liquidators. They considered the duties imposed by Part III on the Registrar should be imposed on the Reserve Bank instead.

(*f*) The Committee did not agree with the provisions of Part IV for the reasons set out above, but if any kind of Act immobilising a bank's resources were to become law, some saving clause of a similar nature to that envisaged in Part IV would obviously be necessary.

(*g*) The Committee supported the opinion frequently expressed that powers given by statute to the Reserve Bank under Parts III and IV should be capable of being exercised when necessary by the Governor or his nominee.

In general, the Committee considered that everything that could in practice be accomplished by legislation would be arrived at by improved suspension and liquidation proceedings as suggested in Part III of the Bill combined with a simple requirement to the effect that any company using the words " bank," " banker " or " banking " in its name must be a Scheduled Bank under the provisions of the Reserve Bank Act. Such legislation as was suggested could adequately be provided by an amendment to the Companies Act rather than by the introduction of a specific Bank Act.

For purposes of record the Draft Bill drawn up by the Reserve Bank of India is reproduced in the Appendices to this Report.

INDIAN FINANCE (No. 2) BILL, 1940.

A Bill was introduced in the Legislative Assembly on the 5th November 1940 which had for its object the alteration of the minimum rates of postage under the Indian Post Office Act, 1898, the increase by 25 per cent. in the rates of taxes on income imposed by the Indian Finance Act, 1940, and the increase by 25 per cent. of the rate of super-tax payable by companies, so as to provide additional revenue towards the cost of the additional defence expenditure incurred on account of the war.

In response to a request from the European Group in the Central Legislature for their views on the Bill, the Committee telegraphed to the effect that the reaction in Bombay to the proposals was that something of the sort was inevitable but that they should be accompanied by careful scrutiny of expenditure. In this connection the Committee deprecated the tendency to create remunerative non-combatant appointments.

INDIAN INCOME-TAX ACT.

SECTION 9 (1)—PROPERTY.

In March 1940 the Associated Chambers of Commerce of India asked for the views of this Chamber on a suggestion put forward by the Punjab Chamber to the Central Board of Revenue for the amendment of Part VI of the Form of Return of total income to be submitted by assessees to income-tax in respect of income from property. The Punjab Chamber considered that the column in the return calling for particulars of the amount claimed on account of property remaining vacant, was not in conformity with clause *vii* of section 9 (1) of the Income-tax as amended in 1939, for while it enabled a property owner to claim the gross amount of vacancies, he was in practice, under this form, only allowed the net amount of vacancies reduced by the proportionate allowances on account of repairs, insurance premia, interest, ground rent, land revenue and collection charges. In this connection the Punjab Chamber drew attention to

the hardship involved in clause *vii* referred to above, the provisions contained in which operated to the great detriment of persons who derived a rental income from house-property. All the allowances enumerated under section 9 from clause (*i*) to clause (*vi*) such as repairs, insurance premia paid, interest on mortgage or charge or interest on capital invested for acquiring the property, ground rent, land revenue and collection charges were duly incurred by an assessee irrespective of the fact whether the property was let or remained vacant, but according to clause (*vii*) these allowances were not deducted from other income of the assessee, that is, they were not allowed for a house in full if the whole house remained vacant and if a part of the house or building remained vacant, they were proportionately cut down. All the above expenses involved in the allowances were nevertheless incurred on vacant houses or vacant portions of a building but in practice they were not allowed. It was pointed out that the fundamental object of the Act was to assess to tax income after the expenses incurred in the earning thereof had been provided but the provisions in clause *vii* assumed income at a figure at which it could not justifiably be reckoned.

The amendments which the Punjab Chamber considered necessary in this sub-clause are stated below :—

Clause vii as it stood.	*Clause vii as it should be amended.*
"In respect of vacancies, that part of the *net* annual *value after deducting the foregoing allowances* which is proportional to the period during which the property is wholly unoccupied or where the property is let out in parts that portion of the *net* annual value, *after deducting the foregoing allowances appropriate to any vacant part* which is proportional to the period during which such part is wholly unoccupied."	"In respect of vacancies that part of the annual value which is proportional to the period during which the property is wholly unoccupied or where the property is let out in parts, that portion of the annual value which is proportional to the period during which such part is wholly unoccupied."

In the light of the amendment suggested above, column 18 of Part VI of the Return in respect of net annual value would have to be deleted and column 21 would require revision.

It was further necessary, in the view of the Punjab Chamber, that instructions should be embodied in "Notes for guidance in filling of Return Form No. I. T. 11," as to what were the tenant's burdens borne by the owner and what were the owner's burdens borne by the tenant, to elucidate how columns 8 and 9 respectively of Part VI of the Return should be filled. It should further be provided that depreciation on air conditioning or heating and cooling apparatus fixed in a rental house property should be allowable from the gross annual rental value as depreciation was a burden on the owner although the benefit of the same went to the tenant.

The Committee informed the Associated Chambers that they were in full agreement with the point raised by the Punjab Chamber and they supported the proposal for an amendment of the Act on the lines suggested. They pointed out that such an amendment, would, of course, call for an additional amendment of the Rules.

The Chamber was informed subsequently by the Associated Chambers that the replies received from constituent Chambers were in favour of action on the lines recommended by the Punjab Chamber but it was not possible for the Association within the time available to take the matter up in connection with the proposed amendment of the Income-tax Rules. The point was one concerning the interpretation of section 9 (1) of the Act and, in the circumstances, it was from this point of view that the constituent Chambers were asked to consider the matter. In this connection the Associated Chambers mentioned that the Bengal Chamber had already taken up with the Central Board of Revenue the question of vacancy allowances and also the wider question of the assessment of property companies. The Board, however, had stated that under the scheme of the Income Tax Act sections 7 to 12 were mutually exclusive and that consequently a category of income coming under one of these sections must be dealt with in the manner prescribed under that section and that income from property

of a property owning company, even though derived from business, could not therefore be assessed under section 10 of the Act. The Board consequently saw no reason for reconsidering the question of the assessment of property owning companies.

As the Board was unwilling to reconsider its attitude on either of the two points, the President of the Associated Chambers stated that the question resolved itself into one of endeavouring to obtain an appropriate amendment of section 9(1) of the Act and proposed to await a suitable opportunity of bringing the matter up in this form. To this the Committee of this Chamber agreed. They also stated that as regards the wider question raised by the Bengal Chamber they were of the view that it would be preferable to await a concrete case being brought by a company affected when the matter could be re-examined. As stated elsewhere in this report the Committee took the opportunity of the visit to the Chamber in September 1940 of Mr. J. F. Sheehy, Member, Central Board of Revenue, to discuss the question with him. Mr. Sheehy then stated that a Bill was under consideration by Government which would include a provision amending sub-section (*vii*) of section 9 (1) so as to substitute the words " gross annual value " for " net annual value " thus giving the required relief. The Bill to amend the Income-tax Act which was introduced in the Legislative Assembly on the 5th November 1940, contained the following clause :—

In sub-section (1) of section 9 of the said Act, in clause (*vii*), for the words " the net annual value after deducting the foregoing allowances," in both places where they occur, the words " the annual value " shall be substituted.

INDIAN INCOME-TAX ACT.

Appeals under Sections 31 and 32.

As the Committee of the Chamber understood that a Bill was under the consideration of the Government of India which had for its object the amendment of the Indian Income-tax Act in certain respects, they addressed the

Central Board of Revenue and requested that the opportunity might be taken of further amending the Act so as to allow the Commissioner of Income-tax discretion to grant interest in cases where a refund was made as a result of appeals to the Appellate Assistant Commissioner or the Commissioner under sections 31 and 32 of the Act, or in revision under section 33.

As the law stood at the moment interest was payable on the amount refunded under the Proviso to section 66 (7) in cases where the refund of excess income-tax levied followed an appeal to the High Court. There was however no specific provision in the case of a refund made as a result of an appeal to the Appellate Assistant Commissioner or to the Commissioner. Sub-section 3 of section 32 of the Act laid down that "In disposing of the appeal the Commissioner may, after giving the appellant an opportunity of being heard, pass such orders thereon as he thinks fit." Again sub-section (2) of section 33 laid down that "On receipt of the record the Commissioner may make such enquiry or cause such enquiry to be made and, subject to the provisions of this Act, may pass such orders thereon as he thinks fit."

In two specific cases brought to the notice of the Chamber by a member the appeals to the Assistant Commissioner were kept pending for nearly 2½ and 1½ years respectively, and in both these cases the Assistant Commissioner eventually passed orders for refund of the tax overcharged but in the absence of any specific provision in the Act he did not pass any orders regarding interest on the amounts refunded. Apparently the Income-tax Authorities considered that the provision of the Act under which the Commissioner could "pass such orders thereon as he thinks fit" did not give him power to grant interest, in view of the fact that such granting of interest was specifically provided for in the case of appeals to the High Court under the proviso to section 66 (7) but was not specifically mentioned in sections 32 and 33.

The Committee considered this to be unfair to assessees and they were of opinion that in all cases where a refund was granted the Commissioner or the Appellate Assistant Commissioner should have discretionary power to grant interest. They recommended therefore that this should be provided for by the insertion of a proviso on the following lines in section 32 and 33 :—

"Provided further that if the amount of the assessment is reduced as a result of the passing of such orders, the amount over-paid shall be refunded with such interest as the Commissioner may allow."

They also recommended that a somewhat similar proviso should be inserted in section 31.

INDIAN INCOME-TAX ACT.

SECTION 66 (2).

In October 1940 the Committee drew the attention of the Central Board of Revenue to the inadequacy of the time allowed under section 66 (2) of the Indian Income-tax Act, viz., sixty days, in which an assessee was permitted to require the Commissioner to refer a point of law to the High Court. While sixty days might be sufficient in the case of residents, it did not, in these days of delayed mails, give time for instructions to be obtained in the case of non-residents, even if instructions were cabled by the non-residents concerned. Under the circumstances, the Committee requested that steps might be taken, in connection with the forthcoming amendment of the Income-tax Act, to increase the period in question to 120 days in the case of non-residents assessed either direct or through a branch or agent.

INDIAN INCOME-TAX ACT, SECTION 23A.

"SMALLNESS OF PROFITS."

The question of the interpretation of the term "smallness of profits" in section 23A of the Indian Income-tax Act and the relief to shareholders in cases where profits taxed under this section were subsequently lost, was discussed with Mr. Sheehy when he visited the Chamber on the 11th September 1940 and in subsequently addressing

the Govenment of India in the matter the Committee stated that during the course of the discussion the question was asked whether it would be desirable and possible to adopt a formula which would define precisely the meaning of the words "smallness of profit."

The Committee considered it to be both desirable and possible, and they suggested the following as a suitable definition and submitted it for favourable consideration :—

"Smallness of profits shall be any figure which being 60 per cent. of the assessable income of the year is nevertheless not greater than 7½ per cent. of the paid-up capital of the Company."

The Committee believed that the adoption of such a formula would facilitate administration of the section of the Act, and would ensure uniformity of interpretation.

The Committee stated that they had heard with satisfaction that in cases arising under this section the existing procedure was that no orders were issued applying the section to a company until after the assessee had been heard, without reference to and orders of the Central Board of Revenue, and that the Board then took into consideration all aspects which the case might present, including any which might be excluded by a literal interpretation of the section.

The Committee pointed out that the suggestion now put forward was not intended to be in substitution of any benefit which the assessee might receive from the existing procedure.

The Committee also drew attention to the fact that, although Section 23A provided that where profits taxed by operation of that section were distributed in any year the proportionate share of any member of the company should be excluded in computing his total income of that year, there was no provision for relief in case the profits so taxed were subsequently lost. It was the Committee's view that the provision of such relief would not in any way vitiate the general principle underlying the provisions of the section which were designed merely to ensure that profits

did not avoid the higher scale of super-tax applicable to the individual. It would be agreed, the Committee thought, that the section did not contemplate, in intention, the taxing of profits which would not at any time reach the shareholders' hands, in the circumstances that the profits had been lost and it could not with certainty be said that even a most liberal application of the section's provisions would ensure that in no case would it operate to tax, as if they had in fact been distributed as dividend, profits which a prudent direction had justifiably reserved against the exigencies of an uncertain future.

Prudence in direction might require that profits be reserved, not against a contingency likely to happen in the near future, but against a more remote contingency. So far as concerns a contingency more or less immediate the Committee were satisfied, upon the assurance given by Mr. Sheehy, that the Central Board of Revenue would not confine itself to a liberal interpretation of the section's provisions but it might not be possible, where the contingency was more remote, to adduce such evidence as would persuade the Board that the profits were justifiably reserved.

It was not the desire of the Committee that the shareholders in a private company should be better placed than the partners of a registered firm but such would not be the effect of including in the section a provision for relief in the circumstances referred to since in any case a partner was entitled to a set-off of loss against other income. The following hypothesis, based on the law as it stood at the moment and assuming the assessable income and the net profit to be identical, might prove this contention.

In each of the first 3 years of its life a private company made a profit of Rs. 1 lakh and paid a dividend of Rs. 10,000. Tax and super-tax was paid on Rs. 1 lakh under section 4 and additional super-tax on Rs. 48,148 under section 23A.

In each of the next six years the company lost Rs. 2 lakhs and was then dissolved without return to its members

who had lost their entire capital and had in addition to the income-tax, paid tax on Rs. 4,44,444. Assuming the same business carried on by a registered firm the partners of which had an outside income of Rs. 2 lakhs per annum they would have lost their entire capital in the firm but would have recovered by a set-off under section 24 (1) against other income not only the tax paid on Rs. 3 lakhs but also that tax paid on Rs. 12 lakhs of other income received during the six years in which losses occurred.

It was clear that the position of the partner in a registered firm in the circumstances assumed by the above hypothesis was much superior to that of the shareholder. The Committee asked the Government of India favourably to consider the obvious need to amend the Act in this particular.

CONTRIBUTION TO WAR CHARITIES.

ALLOWANCE FOR INCOME-TAX PURPOSES.

In April 1940 the Committee supported a suggestion made to the Associated Chambers of Commerce of India by the Upper India Chamber that the question of allowing charitable donations as a charge against revenue for the purpose of assessing liability to excess profits, income-and super-tax should be taken up with the Central Board of Revenue.

The Chamber was informed subsequently by the Associated Chambers that replies to the circular had been received from all the Chambers and it had been found that the weight of opinion was against any action by the Associated Chambers on the lines recommended by the Upper India Chamber. Those who supported the Upper India Chamber put forward no substantial arguments which were likely to persuade the Government of India to adopt a procedure which they had consistently rejected in the past. Those who opposed the suggestion did so variously on the following grounds :—

(*i*) the proposal was equivalent to a suggestion that Government should give some part of its expected income-tax receipts to war

charities—assuming that the contributing firm or individual does in fact increase its or his donation by the amount of the income-tax saved; and that if the amount of the donation remained unchanged the taxpayer benefited at the expense of Government;

(*ii*) the proposal interfered with the principle of keeping charitable payments out of business accounts for income-tax purposes;

(*iii*) sums contributed to a war relief fund or charitable Association were not taxed as income in the hands of that Fund or Association;

(*iv*) the adoption of the proposal would give considerable trouble to the revenue authorities in dealing with many claims for the allowance of contributions to all kinds of alleged charitable and war relief organisations;

(*v*) it was doubtful whether relief from income-tax would stimulate contributions to war charities;

(*vi*) a contributor to a war charity did not on that account subject himself to any increased income-tax;

(*vii*) in view of the efforts and the necessity of Government to obtain additional revenue it was unwise at this time to suggest their giving up a small source of public revenue;

(*viii*) charitable donations ought surely to be regarded as a voluntary sacrifice from the income of the donor;

(*ix*) a possible corollary to the proposed exemption might be an increase in the rate of tax:

and

(*x*) in any case there was no chance whatever of the Government of India accepting the suggestion.

In the foregoing circumstances the President of the Associated Chambers decided not to pursue the matter.

In a Press note on the 10th August 1940 it was stated that the Government of India had no power to exempt for income-tax purposes the proportionate profits which an industrial concern might contribute to war funds.

Such an exemption, if it could be granted, would, in effect, give persons contributing to war funds a reputation for generosity gained at the expense of the public revenues. In many cases the greater part of the donations would consist of excess profits tax, income-tax and super-tax, which would otherwise be payable. In the United Kingdom no such exemption was given.

INCOME-TAX.

RATES OF DEPRECIATION.

(See Report 1939, pages 66 and 264.)

It was recorded in the Chamber's Report for 1939 that, at the invitation of the Central Board of Revenue, Mr. L. A. Halsall was nominated to attend, as the representative of the Chamber, a series of discussions between the Board and representatives of Chambers of Commerce, Trade Associations and other organisations with regard to the rates of depreciation, to be allowed for income-tax purposes on the " written down " basis which was introduced by the Income-tax (Amendment) Act, 1939. For purposes of record the Notification of the Central Board of Revenue, publishing the final schedule fixed by the Board after these discussions, is reproduced in the Appendices.

INCOME-TAX.

ALLOWANCE FOR OBSOLESCENCE.

In October 1940 the Chamber was informed that the Government of India proposed to make suitable provisions for obsolescence on furniture and fittings in an Income-tax amending Bill which it was intended to introduce during the ensuing session of the Legislative Assembly but that Government were not prepared to take similar action regarding buildings. The Chamber's representative on the Council of State asked for the Committee's views on the question. The Committee expressed the opinion that the provision for obsolescence of buildings was not an important issue. They were anxious, however, that obsolescence of furniture and fittings should be provided for and they added that they would welcome the same provision for vehicles.

The Chamber was subsequently informed that the suggested amendment had not been included in the Bill but that the Member of the Central Board of Revenue had given an assurance that his department would continue to allow obsolescence on furniture and fittings by executive action.

INCOME-TAX.

ALLOWANCE OF FOREIGN TAXES FOR INCOME-TAX PURPOSES.

Up to the passing of the Indian Income-tax Act in February 1939 foreign income-tax had never been allowed as a charge in the computation of Indian income-tax. This was immaterial as long as the Indian tax on foreign income was on a remittance basis, as obviously the income paid away in tax could not be remitted to India. The position was, however, altered by the assessment of foreign income on an accrual basis. In addressing the Associated Chambers of Commerce of India on the subject in October 1940, the Committee stated that they considered that the Government of India should be urged to amend the Indian Income-tax Act so as to provide for the allowance of foreign taxes on foreign income as was done in the United Kingdom where tax was allowable if paid in the place where the income had arisen.

The Committee pointed out that the position was aggravated when companies were assessed as resident by reason of their income in British India exceeding their income without British India (section 4A (*c*)). In this case it was only reasonable that the tax paid in a foreign country on the income arising there should be allowed as a charge against profits for Indian income-tax purposes. In a particular instance that had been brought to the notice of the Committee, Iraq income-tax paid by a British company assessable as a resident under section 4A, was allowed in the United Kingdom computation but would not be allowed in the British Indian computation.

The Committee suggested that the Associated Chambers should press for an amendment of the Act by the inclusion of an additional allowance under section 10 (2) based on section 12 (2) of the Excess Profits Tax Act where the same principle was admitted. The clause might read somewhat as follows: —

"The amount of income-tax payable under any law in force in a country outside British India on the profits of such business,

profession or vocation to the extent that such profits arose in the said country."

The Committee added that as stated above the principle had already been admitted for Excess Profits Tax and it did not appear that this had been done merely as a special case.

INCOME-TAX.

STERLING COMPANIES AND NON-RESIDENT SHAREHOLDERS.

During the year under review the Committee had under consideration certain questions which arose in regard to (1) the application of sections 18 (3D) and 19A to non-Indian dividends or shareholders; (2) the treatment under section 18 (3D) of a person resident in British India as the principal officer of a sterling non-resident company for the purpose of compelling the deduction of super-tax from dividends paid by non-Indian companies; and (3) the submission under section 19A of lists of sterling company shareholders. Members of the Chamber were duly informed of the legal position in regard to these questions and the attitude they were recommended to adopt in relation thereto.

SUPER-TAX ON INCOMES BETWEEN Rs. 25,000 AND Rs. 30,000.

In October 1940 the Committee addressed the Central Board of Revenue in the following connection and expressed a hope that the Board would see their way to remedy matters by amending their "Instructions":—

Section 6 (4*b*) of the Finance Act, 1939, reads as follows:—

In cases in which super-tax has been deducted under the provisions of section 18 of the said Act or would have been so deductable had the Indian Income-tax (Amendment) Act, 1939, come into force on the 1st day of April 1938, the rates of super-tax for the year beginning on the 1st day of April 1939, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be the rates of super-tax which were imposed for the year beginning on the 1st day of April 1938, in respect of incomes of individuals or Hindu undivided families, as the case may be.

This had been interpreted by the Income-tax Department to mean that where income from salaries was between Rs. 25,000 and Rs. 30,000, no tax would have been deducted had the Income-tax Amendment Act, 1939, come into force one year earlier, as income below Rs. 30,000 was exempt from super-tax. This had the following absurd results :—

(*a*) An employee whose income under the head of Salary during the year ended 31st March 1939 was Rs. 30,001 would pay 9¾ pies super-tax whereas if his salary had been Rs. 26,000 he would have paid Rs. 100 super-tax.

(*b*) An employee whose income under the head of salary was Rs. 50,000 would pay super-tax at the rate of 9¾ pies in the rupee on Rs. 20,000 while one whose salary was Rs. 29,000 would pay at the rate of one anna on Rs. 4,000.

(*c*) A man whose income under the head of salary was Rs. 34,000 would pay super-tax on exactly the same amount, *viz.*, Rs. 4,000 as one whose income from salary was Rs. 29,000 but at 9¾ pies in the rupee, whereas the lower income would pay at one anna in the rupee.

It was submitted that this absurdity was never contemplated when the Finance Bill was under discussion, nor, probably, was it ever intended by the Finance Member. The Finance Bill should have referred to income from salaries, instead of the deduction of super-tax and it would then have been in line with the provisions for income-tax in connection with which the following note appeared on page 133 of the "Income Tax Manual" (8th Edition).

"Special provision was made in each year to the effect that the rate of income-tax and surcharge applicable to such part of the total income of any person as is derived from salaries or from interest on securities paid in the previous year was the rate fixed for the year previous to the year in question ; and the same rate applied to refunds under Section 48."

It seemed absurd that the only instance of salary being taxed at the rate in force for the current year should be super-tax on incomes between Rs. 25,000 and Rs. 30,000.

There was, however, the following point that arose under the law as it stood. The Income-tax Act did not deal with actual rates of tax or the actual amounts on which rates were payable, and section 18 (2) laid down that all income chargeable under the head "Salaries" was subject to the deduction of income-tax and super-tax at a rate representing the average of the rates applicable to the estimated total income of the assessee under this head.

It seemed to be clear and to have been contemplated by the Legislature, that where the income was below the minimum chargeable to super-tax under the Finance Act of any particular year, the rate of super-tax on such income was nil, but the income did not belong to a class on which super-tax was not deductable. The Committee contended that if this view was correct, the attitude of the Income-tax Department was entirely wrong.

The Central Board of Revenue in reply stated that the anomaly referred to could be removed only by an amendment of the Indian Finance Act, 1939. The Board regretted that it was too late at that time to take steps in that direction.

The Committee asked the Central Board of Revenue to examine the possibility of issuing departmental instructions to arrive at the required result.

The Central Board of Revenue, however, in reply stated that it was not possible for the Board to comply with the Chamber's request since departmental instructions could not over-ride the provisions of a legal enactment.

INCOME-TAX LAW (AMENDMENT) BILL, 1940.

On the 23rd February 1940 a Bill was introduced in the Legislative Assembly with the object of legislating permanently for the matter dealt with by the Income-tax (Renewal of Difficulties and Validating) Ordinance, 1939. The Bombay High Court had held that the Special Commissioner of Income-tax in Bombay and officers under him appointed under the Income-tax Amendment Act without

reference to areas to deal with cases of special technical difficulty or cases in which several companies were interconnected did not in fact have power to deal with these cases. This was due to a drafting defect which was remedied in the Bill. A validating Ordinance was issued in this matter at the end of 1939 as the effect of the High Court judgment was to hold up all the work on all the cases transferred to the Special Commissioner and officers under him. The judgment also threw doubt on the jurisdiction of certain other officers who were not subordinate to the Commissioner but were subordinate to the ordinary territorial Commissioners and the Government were placed in the position that had they left this matter to be dealt with by ordinary legislative processes all the work would have been held up until a time when they were so near the end of the fiscal year that the income-tax and super-tax involved would have run into a very large figure and would have not been collected this year. For that reason it was necessary to deal with the matter urgently.

Further, in a number of cases the time limit for completing the proceedings under the Act would expire on March 31st 1940 and had the Ordinance not been passed those proceedings could not have been completed and the tax in those cases would not merely have been held over but perhaps permanently lost.

The second object of the Bill was to provide for the provisional collection of income-tax and super-tax in case the Finance Bill had not been passed by the Legislature by the 1st April of any year.

The Bill also provided for the calculation of depreciation in respect of ocean-going ships on the basis of the cost of the assets instead of on the written-down value of the assets.

In addition to the above points, a few minor defects in the Indian Income-tax (Amendment) Act of 1939 were also dealt with.

The Bill was passed by both Houses of the Legislature and received the assent of the Governor-General on 26th March 1940 (Act XII of 1940).

INCOME-TAX ACT (AMENDMENT) BILL.

On the 5th November 1940 a Bill was introduced in the Central Legislative Assembly for the purpose of amending the Indian Income-tax Act, 1922, and to make certain transitory provisions with respect to the operation of that Act on the coming into force of Part II of the Indian Income-tax (Amendment) Act, 1939.

Under clause 2 of the Bill it was proposed to amend the definition of " company " on the lines of the definition enacted by the Legislature in the Excess Profits Tax Act. It differed from the existing definition in the following respects :—(*a*) it included a company formed in pursuance of a law of an Indian State ; (*b*) it dispensed with the condition that a foreign association in order to be declared a " company " must be carrying on business in British India.

Clause 3 amended section 5 which dealt with appointments of income-tax authorities. The amendments were designed to set forth more clearly and to supplement the powers of the Department in fixing jurisdictions, to minimise mere procedural difficulties and to prevent overlapping of jurisdictions. Certain of the changes made had been given effect retrospectively from the date on which Part I of the Indian Income-tax (Amendment) Act, 1939, came into force.

Clause 4 removed the provisions relating to the Appellate Tribunal from Chapter II which dealt with income-tax authorities, and made a formal correction in sub-section (8) of section 5A.

Clause 5 removed a legitimate grievance of property owners. The amendment provided that the allowance for vacancies should be given on the gross annual value and not on the net annual value.

The first amendment in clause 6 provided for relief in the case of non-residents with small incomes to whom hardship was caused by deduction of tax at the maximum rate. The amendment would not only give relief to the tax-payer but would relieve the Department of the work involved in dealing with numerous refund claims.

The second amendment provided that deduction of tax at source should not apply to transactions such as "hedges and straddles" carried on between a resident broker and a non-resident broker. The amendment carried out the intention of the first proviso to section 43.

Clause 7 amended section 23A—a section designed to check avoidance of super-tax. As the section stood, it came into operation even if 60 per cent. of the company's assessable income after income-tax and super-tax had been paid, was distributed. The amendment provided that the requirement should be a distribution of 60 per cent. of the assessable income as reduced by the amount of income-tax and super-tax payable.

Clause 8 amended section 28 which gave power to impose penalties. As the section read with section 23 (5) stood it was not possible to penalise a registered firm since tax was not payable by the firm but by its partners. The amendment remedied this defect and merely put a registered firm in the same position as other assessees, e.g., Hindu undivided families or unregistered firms.

Clauses 9 and 10 dealt with recognised provident funds and were designed to make the provisions governing these funds more liberal and elastic.

Clause 13 remedied a defect in the Schedule which laid down the rules for the computation of the profits of insurance business. Rule 9, as it stood, applied the Schedule to the assessment of profits of an insurance business carried on by a mutual insurance company. As mutual insurance business was carried on by persons other than companies, this change was necessary. Without this change, the mutual

insurance business of persons other than companies would have to be assessed on their investment income without any allowance for expenditure on management.

Clause 14—When the Income-tax Appellate Tribunal commenced to function, Part II of the Income-tax (Amendment) Act would come into force and the Commissioner's power of hearing appeals (section 32), his power of revision (section 33) and his functions in respect of applications for reference to the High Court would cease unless provision was made to continue them in respect of pending appeals and applications. It was necessary that provision should be made for the disposal of these appeals and applications and also for orders of the High Court under section 66 (3) in respect of applications disposed of by the Commissioner. The amendments in clause 14 were designed for this purpose.

The Bill was duly passed after certain amendments were made by the Legislature and received the assent of the Governor-General on the 3rd December 1940 (Act No. XL of 1940).

EXCESS PROFITS TAX.

(*See Reports* 1918, *pages* 9, 130 ; 1919, *pages* 43, 320.)

In February 1940 a Bill was introduced in the Central Legislative Assembly which had for its object the imposition of a tax on excess profits arising out of certain businesses.

In the statement of objects and reasons appended to the Bill it was mentioned that the outbreak of war, while it had necessitated greatly increased expenditure by the Government on defence and other services, had simultaneously created opportunities for the earning by companies and persons engaged in business of abnormally large profits. The object of the Bill was to secure for the Government a considerable portion of the additional business profits which accrued as a result of the conditions prevailing during the war.

The Bill sought to impose a tax of 50 per cent. of the excess of the profits made in any accounting period after the 1st day of April, 1939, over what in the Bill was called "standard profits." The standard profits were, in respect of businesses in existence prior to the 1st day of April, 1936, the average of various accounting periods from 1935 to 1938, subject to certain adjustments. The taxpayer was given the option of choosing between several periods or averages, and provision was made for a reference to a Board of Referees for special relief, if the profits during each of the periods which would otherwise have been chosen were abnormally low. The standard profits for businesses started after the 1st day of April 1936, were computed by reference to a percentage of the capital employed in the business.

The Bill contained provisions for computing profits and capital, and these provisions followed closely those of the excess profits tax imposed in the United Kingdom by the Finance (No. 2) Act of 1939.

It was intended that the Bill should come into force on a date to be determined by the Central Government, and should remain in force until repealed. In this respect the imposition of this tax differed from that of income-tax which was imposed afresh each year by the annual Finance Act.

The Bill provided for the Act to be administered by officers of the Income-tax Departments under the Central Board of Revenue, and contained provisions for assessment, collection, appeal, reference to the High Court on a point of law, penalties for false statements, etc., which closely corresponded to those in the Indian Income-tax Act, 1922.

In submitting to the European Group in the Central Legislature the Chamber's views on the Bill, the Committee stated that they accepted in general principle the fact that business profits directly due to the War should be taxed. They pointed out, however, that during the last war the Excess Profits Tax was not brought into force until 1918 and India had the cost of the Mesopotamian campaign to

bear. Many of the details of the application of the Bill were objected to on various grounds and as an additional issue the Committee protested most strongly at the extremely short time allowed for consideration.

Furthermore, India could not be considered as a single unit and drastic taxation in British India for an indefinite period was bound to influence the transfer of industries to the Native States, especially when the rate was as high as 50 per cent. In 1919, the Act was imposed for 1 year, and could have no permanent effects. The Committee considered that the application of Excess Profits Tax must be given very careful consideration from this point of view which was a further argument for postponement as there was insufficient time to examine all the implications.

In the first paragraph of the statement of objects and reasons it was stated that the outbreak of war had simultaneously created opportunities for the earning by companies and persons engaged in business of abnormally large profits. The Committee contested this statement as it yet remained to be seen whether industry as a whole had profited to any extent and it was extremely doubtful whether profits for the year 1938-39 were in any way abnormal except as compared with those of a slump period.

The second paragraph sought to impose a tax of 50 per cent. on the excess profits over standard profits and these standard profits were calculated on the average of various accounting periods from 1935 to 1938. This followed the United Kingdom Act, but the position was entirely different in that country, where extensive re-armament had been in progress for a considerable time, with a stimulating effect on industry as a whole. The Committee pointed out that conditions in India were not the same and they had seen very little evidence in Bombay up to then of increased prosperity due to war orders. They therefore considered that the tax should not apply to profits earlier than those made in the year 1940-41, and in any case not from an

earlier date than the 1st of September 1939. They also considered that the latest date available for the determination of the basic year should be not earlier than 31st August 1939 for the purpose of fixing standard profits, as the year 1938-39 was not affected by war conditions. They pointed out that up to then they had no experience of the effect of an increased income-tax and Customs duty, nor had Government established the immediate need for such a large sum of money.

In paragraph 4 it was stated that the Bill would remain in force until repealed. The Committee recommended that it should be subject to annual revision as was the English Act.

The Committee also stressed the important principle that profits for the standard period and for the chargeable accounting periods should be calculated on the same basis. It was seen from the Bill as circulated that profits for the standard period would be calculated in accordance with the Income-tax Act prior to the passing of the Income Tax (Amendment) Act 1939, whereas the profits of the chargeable accounting periods would be calculated in accordance with the existing amended Income Tax Act. The injustice that would arise from this was clearly shown by the following two examples which were not by any means exhaustive.

1. On the basis of the Government proposals certain companies would have their depreciation allowances reduced by substantial sums.

2. Owing to the provisions regarding the taxation of interest paid abroad, assessments for the current year would be in many cases largely increased although the profits earned might have actually declined.

The result consequent on both of the above was that although no increased profits were earned whatsoever in the chargeable accounting period, substantial assessments for Excess Profits Tax might have to be paid for which there could be no conceivable justification.

The foregoing was a brief exposition of the views held by the Committee on the general principle of the Bill. The Committee also submitted a detailed criticism of its clauses. The more important of these criticisms are given below.

Clause 2 (5)—*Proviso* 2.—The Committee disagreed with the proposal to make investment trust companies subject to the Act, although they were so subject in the United Kingdom, as their investments were largely in industrial companies which were themselves subject to Excess Profits Duty.

There was no provision for avoidance of double payment where a subsidiary company had already paid excess profits tax. The Committee considered that investment companies should be exempted altogether and that the wording of section 7 (*e*) of the 1919 Indian Act dealing with the power of the Collector to make allowances for special purposes should be adopted. This section reads as follows :—

"7 (*e*). The fact that the assets of the business consist to any material extent of shares in a company the business of which is half chargeable to excess profits duty."

Clause 2 (6). *Chargeable Accounting Period.*—A review of the United Kingdom Act in the "Accountants' Journal" interpreted the corresponding provisions of the United Kingdom Act as meaning that the first chargeable accounting period would be from the 1st of April 1939 until the date on which the books of the business were closed. But opinion had been expressed in India that the word "and" at the end of sub-clause (*a*) meant that, in the case of accounting periods ending on, say, December 31st, the first chargeable accounting period would be the 21 months ending 31st December 1940. As it was undesirable that there should be doubt on the point, the Committee recommended the insertion of the following :—

"*Explanation.*—Where the accounting period ends on, say, 31st December 1939, the first chargeable accounting period will be the 9 months ended on that date."

Clause 2 (22).—The Committee recommended that the statutory percentage be always 10 per cent. but if their amendment to clause 6 was accepted, this definition would be unnecessary.

Clause 2 (23).—It was not clear what depreciation rates were to be applied. The Committee urged that the old rates should be continued and the following words should be added at the end of the sub-clause :—

"prior to the passing of the Indian Income-tax Act, 1939."

Clause 4.—The Committee pointed out that India could not be considered as a single unit and drastic taxation in British India for an indefinite period was bound to influence the transfer of industries to the Native States, especially when the rate was as high as 50 per cent. In 1919 the Act was imposed for one year and could have had no permanent effect.

The Committee considered that power should be taken to reduce this rate as was given in the 1919 Act and that section 7 of that Act, giving the Collector power to make allowances for special circumstances, should be incorporated with the necessary alterations in the names of the Departmental officials.

Clause 5.—The Committee also recommended the inclusion as a separate clause of section 9 (1) and (3) of the 1919 Indian Act, giving the Governor-General-in-Council power to deal with hardship in the case of any class of business. They felt it particularly necessary where such heavy taxation was proposed to take every possible precaution to avoid injustice in its incidence.

Clause 6 (1).—The Committee considered that the provisions of Clause 6 (1) (*a*) of the 1919 Act should be inserted as a new provision (*a*), reading as follows :—

"An amount calculated at the rate of 10 per cent. or at such rate not being less than 10 per cent. as may be prescribed, on the capital of the business as existing at the end of the accounting period, in which case the capital of the business shall, for the purposes of this Act, be ascertained in accordance with the provisions of Schedule II, or."

Clause 6 (2).—The Committee considered that this clause should be expanded so as to enable assessees to include the accounting period or part thereof up to 31st December 1939. If this was not conceded, the Committee suggested the 30th of September should be pressed for, being a date on which many companies closed their accounts, but the earliest date that should be accepted was the 31st of August 1939 and there should be suitable provisions for apportionment in the case of businesses not closing their books on the date adopted. The Committee pointed out that in the Ceylon Ordinance the person liable to tax was allowed to select the average of any two of the last three pre-war years.

Clause 6 (4).—In the 1919 Indian Act standard profits were taken as Rs. 30,000. In the English Act £1,000—£3,000 was allowed. The Committee recommended that the same figure in the 1919 Indian Act should be adhered to, that is to say, Rs. 30,000 and not Rs. 20,000 as was proposed.

Clause 8 (4).—The Committee saw no reason for going back to the 1st of April 1939 as it was not possible that any amalgamation could have taken place yet with a view to avoiding Excess Profits Tax.

With regard to the provision at the end of the sub-clause that no regard should be had to any consideration in respect to the transfer of businesses, the Committee felt that the Excess Profits Tax Officer should be given discretion in this matter with a right of appeal to the Board of Referees. The Committee also pointed out that section 10 (1) was a safeguard against transfers for the purpose of evading the tax.

Clause 8 (6).—The Committee drew Government's attention to the fact that the United Kingdom Act contained the following proviso :—

"Provided that if the Commissioners refuse an application under this section or if the applicant is dissatisfied with any modifications made by the Commissioners the applicant may appeal to the Board of Referees."

Clause 10 (3).—The Committee agreed with the imposition of a penalty in such cases, although there was no penalty provided in the United Kingdom Act but they felt that the maximum penalty provided was so large that, although the Income-tax Officer could impose a similar penalty in the case of Income-tax, a penalty of this size should not be imposed except on conviction by a Magistrate.

Clause 11.—*Provision for relief in respect of double excess profits taxation.*—The Committee recommended that this be made mandatory.

The Committee recommended further that provision should be made for the avoidance of double taxation in India by the deduction from profits in any chargeable period of dividends received from a company which was itself liable to Excess Profits Duty in respect of the profits from which the dividend had been declared. It was suggested that in order to avoid delay this relief might be given by way of refund.

Clause 13 (1).—The Committee considered that the period of 30 days allowed for making a return was insufficient and that this should be 2 months as was provided by section 11 (1) of the 1919 Act.

Clause 15.—The Committee considered that the period of 5 years within which the assessment might be re-opened was too long unless the assessee had a corresponding privilege in which case they would agree to a period of six years being allowed to both the Excess Profits Tax Officer and to the assessee. Otherwise they considered, the period should not exceed the four years allowed under the Income-tax Act.

Clause 16.—For the reasons stated above under clause 10 (3) the Committee consider that the penalties provided should be leviable only on conviction before a Magistrate.

Clause 17 (2).—*Appeals.*—The Committee recommended that the period of 60 days should be substituted for 30 days in view of the large amount of tax as compared with the Income-tax.

Clause 20.—The Committee recommended that provision should be made for payment by instalments as was done in section 13 of the 1919 Act, which read as follows :—

"13. The amount of excess profits duty to be paid in respect of any business shall be assessed by the Collector, who may in any case where he thinks fit allow the duty to be paid in instalments of such amounts payable at such times as he may direct."

SCHEDULE I.

Clause (1).—The Committee were of opinion that it was essential that the profits of the business during the standard period and during any chargeable accounting period should be computed on the same basis and that the profits for the chargeable accounting periods should, for the purposes of the Excess Profits Tax be accounted in accordance with the Income-tax Act prior to amending. Otherwise, profits for the standard period should be accounted in accordance with the new Income-tax Act.

From the practical point of view, depreciation should be accounted in accordance with the Act prior to amending.

The Committee drew particular attention to the injustice that would be inflicted under the Bill, as it stood, on businesses whose depreciation allowance would be drastically cut down under the new Depreciation Rates and businesses which were assessed on interest disallowed under the new Act which was allowed under the old Act. There could be no justification for regarding as Excess Profits, profits which were assessed in the chargeable accounting period and were not assessed in the standard period.

Clause 2.—*Allowances for losses.*—The Committee pointed out that the Ceylon Ordinance Clause 4 (*h*) contained the following clauses :—

"Where in the case of any business—

(*i*) the percentage standard (as hereinafter defined) is adopted as the pre-war standard of profits ; and

(*ii*) the net result of the business during the three last pre-war trade years has shown a loss ; and

(*iii*) any part of the profits of that business during an accounting period has been applied in extinction of that loss

then, in estimating the profits of that business for such period, a deduction shall be allowed equal to the amount of profits so applied."

The Committee recommended the insertion of this as a proviso to clause 2.

Clause 3 (2).—The Committee recommended the insertion in line 5, following the words "income received from investments" the words "being income to which the persons carrying on the business are beneficially entitled." This followed clause 6 (2) of Schedule VII in Tariff 7 of the United Kingdom Act.

Clause 3 (3).—The Committee felt that this would operate unfairly in the case of companies that held properties as an investment and not as part of their business. They therefore recommended that the words 'or partly' in lines 2/3 should be changed to 'or mainly.'

The Bill was referred to a Select Committee and Mr. B. J. Whitby, the Chairman of the Special Sub-Committee of the Chamber which reported on the Bill, proceeded to Delhi in February 1940 to meet the European Group at the Centre with a view to elaborating the Chamber's views. Conferences were also held in Delhi with representatives of the Federation of Indian Chambers of Commerce. Several amendments were made in the Bill by the Select Committee, the Legislative Assembly and the Council of State, and after receiving the assent of the Governor-General it was brought into force as from the 13th April 1940 (Act XV of 1940).

On the 8th November 1940 a Bill was introduced in the Legislative Assembly for the purpose of amending the Excess Profits Tax Act XV of 1940. The United Kingdom Finance (No. 2 Act) 1939 which was closely followed by the (Indian) Excess Profits Tax Act, 1940, had been amended by later Acts with a view to remedying certain hardships and anomalies which experience had shown were likely to

arise. The object of the Bill was to amend the Indian Act so as to remedy similar hardships and anomalies. Just prior to the introduction of the Bill the Committee of the Chamber addressed the Central Board of Revenue in regard to the provisions of Section 26 of the British Finance Bill, 1940, under which section 13 (7) of the Finance (No. 2) Act had been amended. It was noted that all businesses in India, started after the 31st March 1936, already had all the benefits conferred by the United Kingdom Finance Act, 1940, as they had the option to choose the statutory percentage on the capital employed in the business. Businesses started before the 31st March 1936 had very restricted grounds under Section 6 (3) of the Indian Excess Profits Tax Act, 1940, but very wide grounds under Section 26, on which to appeal to the Central Board of Revenue. The Committee stated that it would be a great advantage to have Section 26 (2) of the British Finance Act, 1940, incorporated in the Indian Excess Profits Tax Act if this could be done without sacrificing the power of the Board to ignore the limitation where owing to some specific causes peculiar to the business they considered it just to do so, and they enquired whether any such action was contemplated. The Committee also enquired whether the Central Board of Revenue would agree to exercise their powers of giving relief in cases where relief would be given in the United Kingdom. In cases where there was double Excess Profits Tax it would not be of much use to obtain a benefit in the United Kingdom if it were to be refused to the same business in India.

In replying to this particular reference the Central Board of Revenue stated that it was not considered that action such as the Committee suggested was necessary, for, while section 26 (2) of the United Kingdom Finance Act 1940 specifically referred to businesses where in the standard period there were no profits or the profits were so low that a

computation of standard profits based upon those actual profits would be unjust, the powers given to the Central Board of Revenue under section 26 (1), of the Indian Act to take cognisance of special circumstances and specific causes peculiar to a business, made it possible for the Board to deal equitably with the same class of case.

As regards the question asked in the final paragraph of the Chamber's letter while, in the Board's view, its powers were at least as great as the powers conferred in the United Kingdom on the Commissioners of Inland Revenue and the Board of Referees, to consider all relevant factors they could not bind themselves to give in any case the same relief, if any, as was given in the United Kingdom.

Subsequent to the introduction of the Bill the Committee telegraphed to the European Group in the Centre recommending that either clauses 4 and 9 (d) should be amended or an undertaking be given in the House to allow the tax payer the same right of appeal in cases where the tax officer refused to make a modification or a determination required by the tax payer, as was proposed to be allowed in cases where the tax payer was dissatisfied with a determination made by the tax officer. The Committee further recommended the incorporation of section 27 (2) of the United Kingdom Act and an amendment to Schedule II providing for the computation of the written down value of assets corresponding to that of depreciation under Schedule I. The Committee also suggested certain other amendments which would have had the effect of extending the period allowed for submission of an application to the expiry of any extended period allowed by the tax officer for the submission of the return. The Bill was finally passed by both houses of the Legislature and received the assent of the Governor General on the 3rd December 1940. (Act XLII of 1940).

EXCESS PROFITS TAX ACT, 1940.

BOARD OF REFEREES.

(*See Report* 1919, *pages* 52, 355.)

Under sub-section (5) of section 3 of the Excess Profits Tax Act, Boards of Referees have to be formed to hear applications under sub-section (3) of section 6 and appeals under sub-section (5) of section 8 of the Act. Not less than half of the members of the Board of Referees are to be non-officials having business experience.

In August 1940 the Associated Chambers of Commerce of India requested this Chamber to submit the names of five non-officials who were willing to be included in the panel from which members of a Board of Referees would be appointed.

The Committee submitted the names of MESSRS. C. P. BRAMBLE, M.L.A., A. MCINTOSH, R. W. BULLOCK, A. L. HUTSON and THE HON'BLE MR. R. H. PARKER.

EXCESS PROFITS TAX ACT—SCHEDULE II.

COMPUTATION OF CAPITAL.

In October 1940 the Committee drew the attention of the Central Board of Revenue to the following cases of hardship which arose in connection with the computation of capital under the Excess Profits Tax Act as it stood and on which the Committee pressed strongly for an amendment of the Act.

1. *Computation of Written Down Value.*—In this case hardship arose in two directions :—

(*a*) The undue reduction in capital caused by depreciation having been allowed for Income-tax purposes on the original cost in the standard period, which produced a much higher allowance in the closing years of the life of an asset.

(*b*) The heavy reduction in capital caused when profits were made during, or, worse still, after the standard period, sufficient to absorb depreciation previously unabsorbed.

In Example 1, appended hereto, is shown in Column 1, the computation of written down value for income-tax purposes. It will be seen that if 1935 is taken as the standard period the average capital for 1935 in respect of the assets under discussion is 55 lacs, whereas the average for 1940 is 18.2 lacs, a reduction in value of 36.8 lacs. The result of this is that the standard profits of the company are reduced by 6 per cent. on 36.8 lacs if the capital as a whole is decreased, and by 8 per cent. on 36.8 lacs if the capital as a whole is increased, resulting in fictitious excess profits of 2.21 lacs and 2.94 lacs, respectively.

In Column 2, is shown the computation which the Committee understood was approved by Government as the method of arriving at the depreciation in each year to be allowed under Schedule I, in the computation of the standard profits. In this case it will be seen that there is still a considerable reduction in the written down value over the same period from an average of 24.8 lacs in 1934 to an average of 18.2 lacs in 1940, but it would appear that this is unavoidable. The Committee pressed, therefore, that the Act should be amended so as to ensure that the method adopted in column 2 for the computation of profits should also be adopted for the computation of capital.

Hardship also arose owing to the adding back to the capital of unabsorbed depreciation. It was provided in the original Bill that unabsorbed depreciation should not be added back, but when it was requested that this proviso should be omitted, there had been very little time for consideration, and the hardship exhibited in Example 2, appended below (which would apply in the case of many companies who had recently begun to make profits after a period of losses), had not been brought to the attention of

the Committee. Further, the Committee were then asking that all businesses should be given the option of choosing the statutory percentage. This option was not thus extended. In the view of the Committee, the cases of hardship, shown in Example 2, outweighed any possible advantages that other companies might obtain when choosing the statutory percentage. It would appear that this hardship would be automatically overcome if the Act was amended on the lines suggested in the preceding paragraph.

Valuation of Stocks :—In Schedule II, it would appear that stocks purchased must be valued at cost under Rule 1 (1) (*a*) without any deduction for a fall in market value. The position of manufactured stock was probably the same, but it was not clear whether they would be governed by Rule 1 (1) (*c*). The result of this was that if cotton was purchased at a high price but by the date of the balance-sheet there had been a heavy fall in the market value, the stock must be valued for the purposes of Schedule II, at cost, although for the purposes of the balance-sheet it must be valued at the market price, being less than the cost. Thus, although the market value would be accepted for income-tax purposes, therefore presumably, for the computation of profits under Schedule I, for the purpose of Schedule II it was to be assumed that the value of the cotton on the date of the balance-sheet was still the cost.

Rule 1 of Schedule II was one of the rules taken from the United Kingdom Finance No. 2 Act, 1939, and this anomaly had been corrected in section 34 (3) of the Finance Act, 1940, which provided for additional deductions to be made in computing the capital value of assets in these terms :—

" Any other such deductions in respect of reduced values of assets as are allowable in computing profits for the purposes of income-tax."

The Committee urged that a corresponding amendment should be introduced in the Amending Bill which they understood was under preparation.

EXAMPLE 1.

Calculation of depreciation for Standard Period and Chargeable Accounting Period.

		Col. 1. (allowed for I.T.) Rs. lacs.	Col. 2. Rs. lacs.
31-12-1934	Written down value	60	25.6
31-12-1935	Depreciation on original cost ..	10	1.5
		50	24.1
31-12-1936	Do. do. ..	10	1.4
		40	22.7
31-12-1937	Do. do. ..	10	1.4
		30	21.3
31-12-1938	Do. do. ..	10	1.3
1- 1-1939	Written down value under I.T. Act as amended	20	20
31-12-1939	Depreciation say 6 per cent. on written down value	1.2	1.2
		18.8	18.8
31-12-1940	Depreciation	1.1	1.1
		17.7	17.7

EXAMPLE 2.

Computation of Standard Capital in respect of a depreciable asset.

	1-1-37 Rs.	1-1-38 Rs.	1-1-39 Rs.
Cost less Depreciation	4,50,000	3,50,000	2,70,000
Add—Depreciation unabsorbed.	5,00,000	3,60,000	60,000
Written down value	9,50,000	7,10,000	3,30,000
		9,50,000	
		2) 16,60,000	
Average Capital 1937 and 1938		8,30,000	
Less—Average Capital 1939		3,30,000	
Reduction in capital		5,00,000	

Reduction in Standard Profits— Rs.

(*a*) If capital as a whole has increased 8 per cent.= 40,000

(*b*) „ „ „ decreased 6 per cent.= 30,000

In reply the Central Board of Revenue stated :—

(1) that as regards the valuation, for the purpose of Excess Profits Tax capital computation, of assets such as plant and machinery, in respect of which in computing profits allowance for depreciation was made, no action on the lines suggested by the Committee was in contemplation at the moment, and

(2) that as regards the valuation, for Excess Profits Tax capital purposes, of assets in respect of the reduced values of which deductions had been made in computing profits, the putting forward of an amendment to the Second Schedule of the Act was under consideration.

As regards (1) the Committee strongly urged, however, that action should be taken on the following grounds :—

(*a*) an injustice existed and Sir Jeremy Raisman had pledged himself to deal with unwarrantable hardships (Official Debates, Vol. II, No. 10, page 1660) ;

(*b*) the hardship was one that could not arise in the United Kingdom as it was due to the change in the method of dealing with depreciation and it would have been mitigated to some extent if the Bill had been passed in its original form.

As regards (2) the Committee expressed a hope that the amendment to the Second Schedule of the Act would be included in the Bill which was then before the Legislature.

In the Bill to amend the Excess Profits Tax Act which was introduced in the Legislative Assembly on the 8th November 1940 amendments of Schedule II were included which (1) provided that in computing capital any other allowance (in addition to depreciation) in respect of reduced values of assets, which was made in computing profits was to be deducted from the cost of assets in computing capital ; (2) provided similarly for the deduction, in computing capital, in respect of accrued liabilities ; and (3) provided

for allowance to be made in the case of assets which were inherently unproductive in the standard period but which became productive in a chargeable accounting period.

PROVIDENT FUNDS.

Investment of Employers' Contributions.

In a previous item a reference is made to the discussion with Mr. Sheehy, a member of the Central Board of Revenue, in connection with the proposed amendment of Rule 3 of the Income-tax (Provident Funds Relief) Rules. The Committee subsequently addressed the Government of India on the subject and stated that they were most strongly opposed to the amendment for the following reasons.

The object of the proposed amendment was clearly to assimilate, where they were in conflict, the provisions of Rule 3 of the Indian Income-tax (Provident Funds Relief) Rules with the provisions of Section 282-B (2) of the Indian Companies Act, 1913. The Committee submitted that the draft amendments went much further than any such intention. The word 'company' when used in section 282-B (2) of the Indian Companies Act meant a company as defined by that Act, namely, a company formed and registered under that Act or one of the preceding Indian Companies Acts.

The word ' company ' as defined in the Indian Income Tax Act included not only such companies but also companies incorporated in the United Kingdom and British Possessions and foreign associations declared by the Central Board of Revenue to be companies.

The Committee felt from the phraseology of sub-rule (2) of the draft and particularly from the use of the words " in accordance with " that it was not the intention underlying the draft amendment to apply sub-rule (2) to companies other than those to which section 282-B (2) of the Indian Companies Act applied and they suggested to avoid any possible ambiguity, that the use of the word ' company ' should be in terms so restricted in both paragraphs (1) and (2) of the draft.

If, however, the intention of sub-rule (2) was to cover other companies or associations then the Committee were wholly opposed to such change and were fortified in this as any such policy was clearly contrary to the policy of the Indian Legislature as enunciated in the Indian Companies Act which dealt not only with companies incorporated in India but also non-Indian corporations. Apart from that consideration, the Committee were emphatically of the opinion that the present was no time to dislocate the finances of other Empire Companies, in the business of which provident fund assets were invested, by compelling them, in order to retain recognition of their provident funds, to conform to the provisions of section 282-B (2) of the Indian Companies Act. It was obvious that many such companies would have to borrow in the United Kingdom market considerable funds to release moneys in their business for the purpose of compliance and this might not be practicable under existing war conditions.

But the Committee had more emphatic objections to the restriction sought to be imposed on companies as regards the investment of provident fund contributions in securities, the capital of and interest on which were both payable in British India.

Firstly, this went much beyond section 282-B (2) of the Indian Companies Act.

Secondly, this went much beyond the existing Rule 3.

Thirdly, if what was competent for an employer who was an individual or a firm or an association of persons, was considered equitable there seemed no reason why the same provisions should not apply to a company whether incorporated in India or not.

Fourthly, if this provision was enacted companies, whether incorporated in India or the United Kingdom would require to sell their sterling securities of the United

Kingdom or Indian Governments in order to comply. Such a position, at the present time, was, in the opinion of the Committee, unthinkable.

On much broader grounds, however, Government must be aware that many companies had two funds or two sections of the same fund, one for European employees and the other for employees domiciled or recruited in India. It was but equitable that European employees should know within reasonable bounds what sterling they would get on retirement so avoiding by investment as and when contributions were paid, any exchange position against them on retirement. Similarly, Indian employees should have the same advantages, namely, that their contributions to a recognised fund should be invested in rupees and any exchange position avoided. It was submitted that the existing Rule adequately, and without dislocation of finances, safeguarded this position.

If the Rule was altered on the lines suggested then it was the Committee's apprehension that certain companies, both Indian and Foreign, might require to have recognition cancelled as retention of recognition might be impossible having regard to current and prospective finance. This would not only affect them adversely but would penalise their employees.

For these reasons therefore the Committee strongly urged that Rule 3 should be allowed to remain as it stood with the addition of the words now included in sub-rule (1) of the draft " or in British Burma."

On the 14th December 1940 the Government of India, Finance Department (Central Revenues), issued the following Notification publishing the amended rule in its final form :—

No. 16. In exercise of the powers conferred by Chapter IX-A of the Indian Income-tax Act, 1922 (XI of 1922), the Central Government directs that the following further amendment shall be made in the Indian Income-tax (Provident Funds Relief) Rules, the same

having been previously published as required by sub-section (1) of section 58-L read with sub-section (4) of section 59 of the said Act, namely:—For Rule 3 of the said Rules, the following rule shall be substituted, namely :—

" 3. (1) Where the employer is not a company, as defined in clause (2) of section 2 of the Indian Companies Act, 1913, the contributions made by employees after the date of recognition of a Provident Fund and the interest on the accumulated balance of such contributions shall be wholly invested either in securities of the nature specified in clause (*a*), (*b*), (*c*), (*d*) or (*e*) of section 20 of the Indian Trusts Act, 1882, or in clause (*a*), (*b*), (*c*), (*d*) or (*e*) of section 20 of the (Burma) Trust Act, and payable both in respect of capital and of interest in British India or in British Burma or in a Post Office Savings Bank Account in British India.

(2) Where the employer is a company, as defined in clause (2) of section 2 of the Indian Companies Act, 1913, all monies contributed to a Provident Fund (whether by the Company or by the employees) or accruing by way of interest or otherwise to such fund shall be wholly invested in accordance with the provisions of sub-section (2) of section 282-B of the Indian Companies Act, 1913, so however that the securities in which the contributions made by employees after the date of recognition of a Provident Fund and the interest on the accumulated balance of such contributions are invested are payable both in respect of capital and of interest in British India."

In amplification of the above amended rule the Government of India explained that the position in respect of investment of contributions to the Provident Funds of companies which came within the definition in clause (2) of section 2 of the Indian Companies Act, 1913, would be as follows :—

(i) *Employees contributions.*—The contributions made by employees after the date of recognition of the Provident Fund and the interest on the accumulated balance of such contributions must be wholly invested in accordance with the provisions of sub-section (2) of section 282-B of the Indian Companies Act, 1913, so however that the securities in which the said moneys were invested were payable both in respect of capital and of interest in British India. Since old rule 3 already restricted the investment of such contributions in trust securities, no change in their mode of investment would be necessary as a result of new sub-rule (2).

(ii) *Employers' contributions.*—Two classes of companies had to be considered:—

(1) Companies having provident funds constituted before the commencement of section 282-B of the Indian Companies Act (i.e., the 15th January 1937, the date on which the Indian Companies (Amendment) Act, 1936, was brought into force),

(2) Companies having provident funds constituted after the 15th January 1937.

Section 282-B(2) of the Companies Act allowed the former classes of companies a period of ten years within which to invest moneys in the trust securities in annual instalments. Since Rule 3(2) only laid down that the moneys should be invested in accordance with the provisions of section 282-B(2) of the Companies Act, these companies retained the benefit of the concession allowed to them by the latter part of section 282B(2) of the Companies Act and the recognition already accorded to the provident funds constituted by these companies would not be affected provided that the change-over of investments where necessary was made in accordance with section 282-B(2) of the Companies Act.

Companies in the second category would normally have complied with the requirements of section 282-B(2) of the Companies Act. If the mode of investment of employers' contributions to a Company Provident Fund which had already been accorded recognition, did not conform to the requirements of the revised rule, the Company should adjust its affairs within a reasonable time to be fixed by the Commissioner of Income-tax concerned according to the circumstances of the case.

UNRECOGNISED PROVIDENT FUNDS.

Payment on termination of employment.

In August 1940 the Bengal Chamber raised with the Central Board of Revenue the question of the advisability of evolving machinery whereby instead of the assessee

having to meet the full assessment on any payment to be made to him out of an unrecognised provident fund, in the year of his retirement and subsequently applying for relief under section 60 (2), the relief would be granted at the time of his assessment. The Bengal Chamber was informed in reply that the Board did not consider it necessary to sponsor any amending legislation or to issue any general instructions in the matter. The Board, however, considered it was reasonable that if an assessee was in a position to know at the time of deduction of tax from any payment to be made to him out of an unrecognised provident fund that the rate of tax would be considerably more than the normal rate applicable to his normal income he might request the Income-tax Officer to approach the Board through the Commissioner, giving all the facts of the case, for such orders as the Board might consider suitable. Pending receipt of the Board's decision the deduction of tax might be withheld provided the employer gave an adequate guarantee that full deduction of tax would be made in any case in which the Board decided not to grant any relief.

MILITARY SERVICE AND RECOGNISED PROVIDENT FUNDS.

In May 1940 the Committee drew the attention of the Commissioner of Income-tax to the question of the contributions to recognised Provident Funds of individuals called up for Military service and urged that the provisions of section 58C (1) (*b*) and (*c*) of the Income-tax Act should be relaxed in such manner as to enable :—(1) an employee while on military duty to continue to subscribe to a recognised Provident Fund up to such amount as he would have been subscribing had he continued in civil employment on the full salary attaching to that employment ; (2) an employer to continue corresponding payments up to the full amount he would otherwise have been contributing to the employee's Provident Fund in cases where the employee was receiving anything less than the full civil pay during his absence.

The Committee discussed the question with Mr. J. F. Sheehy, Member, Central Board of Revenue, when he visited the Chamber on the 11th September 1940, and he stated that this was one of the matters which the Government of India proposed to incorporate in an amending Bill which was then under consideration.

In the Act further to amend the Indian Income-tax Act to which reference is made elsewhere in this report, it was enacted that the following proviso should be added to clause (*b*) of sub-section (1) of Section 58C which laid down one of the conditions that should be satisfied to enable a Provident Fund to receive and retain recognition, and which read as follows :—

(*b*) The contributions of an employee in any year shall be a definite proportion of his salary for that year, and shall be deducted by the employer from the employee's salary in that proportion, at each periodical payment of such salary in that year, and credited to the employee's individual account in the fund.

The proviso added by the amending Act read as follows :—

" Provided that an employee who retains his employment while serving in His Majesty's Forces or when taken into or employed in the national service under the National Service (European British Subjects) Act, 1940, or the National Service (Technical Personnel) Ordinance, 1940, may, notwithstanding that he receives from the employer no salary or a salary less than he would have received had he not entered His Majesty's Forces, or been so taken into or employed in the national service, contribute to the fund during his service in His Majesty's Forces or while so taken into or employed in the nationa service a sum not exceeding the amount he would have contributed had he continued to receive from the employer the same salary (including increments, if any) as he would have received had he not entered His Majesty's Forces or been taken into or employed in the national service."

JURISDICTION OF HIGH COURTS IN REVENUE MATTERS.

In June 1940 the views of this Chamber were invited by the Associated Chambers of Commerce of India on a proposal put forward by the Burma Chamber for the repeal

of section 226 of the Government of India Act or its modification in some way so as to make it applicable to appeals in Customs duty cases.

Section 226 of the Government of India Act, 1935, reads as follows :—

(1) Until otherwise provided by Act of the appropriate Legislature, no High Court shall have any original jurisdiction in any matter concerning the revenue, or concerning any act ordered or done in the collection thereof according to the use and practice of the country or the law for the time being in force.

(2) A Bill or amendment for making such provision as aforesaid shall not be introduced into or moved in a Chamber of the Federal or a Provincial Legislature without the previous sanction of the Governor-General in his discretion or, as the case may be, of the Governor in his discretion.

Sub-section (1) of this section—which also appeared in the Government of India Act, 1915—is a repetition of the corresponding provision in the Act of Settlement, 1781, understood to have been included for the purpose of terminating the dissension which had then arisen between the Courts of the East India Company and the Supreme Court by preventing the Supreme Court from interfering with the collection of land revenue. But the word "revenue" appearing in section 226 of the 1935 Act extends to other forms of Government revenue and the President of the Associated Chambers was informed that it had been held by the Calcutta and Madras High Courts that this provision in the Government of India Act prevented them from adjudicating upon a case relating to Sea Customs. This bar to jurisdiction applied only to High Courts for the reason that the Government of India Act dealt only with such courts : it contained no provisions relating to subordinate courts which were formed by local Governments and derived their jurisdiction from the Civil Procedure Code. The anomaly therefore existed that the subordinate courts including those at the minor maritime ports had jurisdiction to deal with revenue matters whereas the High Courts at

the major ports of Calcutta, Bombay and Madras had no such jurisdiction. The further anomaly existed that whereas questions of law under other revenue producing Acts—notably the Income Tax and Excess Profits Tax Acts—could be referred to a High Court, no such reference was permissible under the Sea Customs Act, section 188 of which expressly provided the method of appeal to the Chief Customs Authority whose decision was final, subject to revision by the Central Government. In order therefore to give the High Courts original jurisdiction in matters relating to the collection of Customs revenue it would be necessary to amend the Sea Customs Act and also section 226 of the Government of India Act. The amendment of the latter Act could be effected by the Indian Legislature with the previous sanction of the Governor-General acting in his discretion. No amendment of the High Courts Act of 1861 was apparently necessary as no restriction on jurisdiction regarding revenue matters was contained in it.

It would be seen from the foregoing that from the practical point of view the question of immediate importance resolved itself into one of whether the Association should press for the amendment of section 226 of the Government of India Act and section 188 of the Sea Customs Act. But as any fresh enactment, central or provincial, which imposed any form of taxation, could exclude the subject from seeking redress in any civil court, whether a High Court or subordinate court, the question went beyond the Government of India Act and the Sea Customs Act and raised the issue of whether the Central and Provincial Governments would be prepared to accept the principle of redress in the civil courts in taxation matters. On the one hand the administration of justice postulated an adjudication of a case by a body independent of the executive whose order was in dispute : from this point of view, it could be maintained with considerable force that the executive officers of Government should be subject to the jurisdiction of the civil courts and that this principle should not be departed from

unless there was strong reason for doing so—as, for instance, where questions of public order or matters of national interest were involved. Where the question was merely the collection of Customs duties there was no apparent reason why an importer should not be permitted to pay the duty under protest and file a suit in the civil court for a refund of the amount in dispute. On the other hand, the practical question arose of whether—particularly at the present time—there was justification for an approach to Government for the amendment of the existing law—the Sea Customs Act and the Government of India Act—on the grounds that general dissatisfaction existed with regard to the administration of the former Act.

In submitting the matter for the views of constituent Chambers the President of the Associated Chambers stated that so long as existing circumstances continued, he thought it would not be proper for the Association to place before an already over-occupied Government the suggested amendments to the Government of India Act and the Sea Customs Act, should it be found that the constituent Chambers would normally have favoured such a course. He asked the Chambers, however, to consider the points raised whenever an opportunity of doing so should arise and thereafter to submit their views on the subject at a time convenient to themselves.

The Committee informed the Associated Chambers that they were in accord with the view taken by the President of the Association that the time was not now opportune to suggest carrying the matter further. They, however, emphasised the fact that the existing practice was highly objectionable and the matter should not be lost sight of. The Committee considered that the subject should be brought up again later at a more suitable date. Early in December 1940 intimation was, however, received from the Associated Chambers that the Government of India had been addressed in the matter.

INDIAN INSURANCE ACT (AMENDMENT) BILL, 1940.

(*See Reports*, 1934, *page* 45 ; 1935, *page* 58 ; 1936, *page* 32 ; 1937, *page* 54 ; 1938, *page* 36 ; 1939, *page* 56.)

On the 21st March 1940 a Bill was introduced in the Legislative Assembly the main object of which was to amend the Insurance Act of 1938, as amended by the Insurance (Amendment) Act of 1939, in regard to the more pressing of several matters that had been brought to light in the first six months during which the Insurance Act had been in operation and in regard to which amendment was urgently required in order to remove flaws and administrative difficulties.

The principal amendments suggested in the Bill related to an extension of the definition of 'approved securities' designed to assist British Indian Companies to secure reciprocal concessions under section 116 ; to the clarification of the position in connection with the cancellation of registration certificates of insurers under section 3 ; to the removal of certain administrative difficulties arising out of the existing form of section 7 in regard to deposits ; to the necessity for spreading the expiry dates of agents' licences under section 42 over the whole year ; to the prevention of administrative difficulties which might arise unless it was clearly laid down that a Provident Fund Society must be wound up before it could become an insurer under Part II ; to provision for notice to be given to the Superintendent of Insurance by the Court in all matters affecting insurers ; to provision for the period of one month during which rules under the Act must lie on the Table being spread over more than one session ; and to the extension of the range of concessions that might be offered under section 116 in order to assist British Indian Companies to secure reciprocal concessions in other places.

Experience had also shown that the duties laid by the Act upon the Superintendent of Insurance personally were

too numerous for him to cope with and an amendment was incorporated to enable him to delegate his authority.

In addition to the above points, a few defects of a technical nature were also dealt with.

The Committee informed the European Group in the Central Legislature that they had examined the Bill in the short time at their disposal and saw no objection to the Bill being taken into consideration during the current session without reference to a Select Committee. They, however, drew attention to clause 2 and suggested that the proposed addition to clause 3 of section 2 of the Insurance Act should read as follows :

" and any security issued by the Government of an Indian State *or by the Government of any British Dominion* and specified, etc., etc."

The addition as proposed by the Bill read as follows :

" and any security issued by the Government of an Indian State and specified as an approved security for the purposes of this Act by the Central Government by notification in the official Gazette."

The European Group did not, however, agree to move the amendment.

The Bill was passed by both Houses of the Legislature and received the assent of the Governor General on the 10th April 1940. (Act XX of 1940.)

INSURANCE BUSINESS CARRIED ON BY TRADE UNIONS.

In October 1940 the Government of Bombay drew the attention of the Chamber to the fact that under the provisions of the Indian Trade Union Act, 1926, a Trade Union was allowed to carry on any form of insurance activity without being under any obligation to secure professional advice as to the actuarial soundness of such insurance business. Moreover, by virtue of section 118 of the Insurance Act, 1938, any insurance business carried on by a Trade Union was not subject to the provisions of that Act.

It had been suggested to the Government of India that in the interests of the trades unionists themselves it was undesirable that such a highly technical business as insurance should be carried on as a side activity by Trade Unions without the protection of supervision by any Department of Government having the necessary technical staff to exercise it. There was also a possibility that persons who had in the past been carrying on unsound schemes of insurance now banned by the Insurance Act might seek the shelter of the exemption granted to Trade Unions for the purpose of continuing their unsound methods from within the Trade Union movement.

The most common example of unscientific schemes carried on in the past and prohibited by the Insurance Act, 1938, was what was known as insurance business on the dividing principle. A description of such business might be found in section 52 of the Insurance Act, 1938, which section prohibited insurers from indulging in such schemes. Similarly, section 69 of that Act prohibited provident societies from doing business on the dividing principle. This form of insurance business had no scientific basis, was inherently unsound and had been condemned by the actuarial profession. It offered a large scope for fraud on the part of agents and the persons in charge of the business. Although the business might superficially report progress at the initial stages as long as the membership was increasing, past experience and actuarial considerations showed that when membership fell, as it eventually must, the members existing at the time the decline set in were left with little or no protection to show for their contributions. In the past, many insurers and provident societies carrying on such business had failed, involving a loss of large sums of money to a considerable number of policyholders.

There was nothing at the moment to prevent Trade Unions carrying on insurance business on the dividing principle and some Trade Unions appeared to be actually doing so. There had moreover been a case of an insurer

transferring all his insurance business on the dividing principle to a Trade Union which was carrying it on unhampered by the restrictions imposed by the Insurance Act in the interests of policyholders.

It appeared therefore that it was necessary to consider carefully the question of controlling the insurance activities of Trade Unions. It was pointed out that objections might be raised on the ground that any such control would curtail the privileges of Trade Unions, but in fact supervision of the business by qualified persons was actually not a curtailment of the privileges of a trade unionist but a benefit conferred on him. In the interests of the members of Trades Unions and to afford proper guidance to and supervision over managements, who had little knowledge of the proper conduct of insurance activities, it was proposed to consider the application of the Insurance Act, 1938, with such modifications as might be necessary to insurance business carried on by Trade Unions.

The Government of Bombay added that it appeared that the following modifications in the provisions of the Insurance Act, 1938, might be necessary or desirable before applying it to the insurance business of a Trade Union :—

(*a*) Deposit provisions might be the milder ones provided for Mutual Companies and Co-operative Societies in section 98 and not the more onerous ones in section 7. This was a concession to the Trade Unions in view of their financial resources and of the fact that they resembled mutual concerns rather than proprietary ones.

(*b*) The minimum limits prescribed in section 4 might not apply to Trade Unions which might want to encourage insurance business among the poorer members equally with members who could afford to insure for more than Rs. 500.

(*c*) Section 6 relating to working capital might not apply, which was again a financial concession as (*a*) above.

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(*d*) The provisions of Part III might apply to the insurance business conducted by a Trade Union if the limits set in sections 65 and 66 were strictly conformed to. The provision relating to the working capital might, however, be dispensed with. It was suggested that so far as they were not inconsistent with the concessions already proposed in this paragraph the other provisions of the Act, its schedules and the Rules framed under the Act should apply *in toto* to the insurance business carried on by the Trade Unions in view of the considerations set out in the previous paragraphs.

The Government of Bombay requested the Chamber's opinions on the above proposals and suggestions.

In reply the Committee stated that they were strongly in favour of the proposal to make the provisions of the Insurance Act, with some necessary modifications, applicable to insurance business carried on by Trade Unions. The Committee had no modifications in the Insurance Act to suggest other than those mentioned by Government and on these they submitted the following comments:

(*a*) The deposit required from a mutual insurance company (Rs. 2 lakhs) was the same as that to be made by an ordinary insurance company which carried on life business only. The concession to the former was in the method of making the deposits [Sec. 98 (2)]. Opponents of the proposal (and there were sure to be some among the supporters of labour) might argue that an initial deposit of Rs. 25,000 was too much to ask of a Trades Union. The amount could be slightly reduced if found expedient.

(*b*) The Committee agreed.

(*c*) The Committee agreed, but suggested there should be some provision for minimum working capital. In the case of a mutual insurance company the minimum was Rs. 15,000. A minimum of Rs. 5,000 might be applied to Trades Unions.

(*d*) The Committee agreed but here also they suggested there might be some provision as to the working capital. Part III of the Act provided that in the case of a Provident Society the minimum should be Rs. 5,000. The same figure might be suitable for Trades Unions.

In conclusion the Committee stated that it might be contended that Trades Unions already had the necessary organisation to conduct their own insurance business; but, while the Committee did not wish to suggest a minimum figure for working capital which would make it impossible for Trades Unions to cater for the needs of the poor man who could not afford to insure in the amounts required by an Insurance Company, they thought it would be a reasonable precaution to provide that working capital for the insurance schemes of Trades Unions should be specifically segregated from their ordinary funds.

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CONTROL OF LIFTS IN BOMBAY.

(*See Reports*, 1934, *page* 70 ; 1939, *page* 97.)

In the Chamber's Report for 1939 it was recorded that a Bill to control the use of lifts in Bombay was passed by the Legislature and received the assent of the Governor on the 15th May 1939.

Under Notification No. 8225/27-II dated 8th April 1940, published in Part IV of the *Bombay Government Gazette* dated 11th April 1940, the Public Works Department of the Government of Bombay, notified that the Bombay Lifts Act, 1939 (Bombay Act X of 1933) would come into force on the 1st June 1940.

The Rules under the Act were also published in the same *Gazette*.

Subsequently the attention of the Committee was drawn by members interested to certain difficulties that it was expected would be experienced by owners of existing lifts in applying for licenses within two months of the

enforcement of the Act. The Committee understood however that the Electrical Engineer to Government fully appreciated these difficulties and on being addressed in the matter he gave the Chamber an assurance that every consideration would be given to the operation of the rules. The Committee at the same time appointed a special Sub-Committee to examine the rules and report on their feasibility as applicable to new installations. The Sub-Committee gave the Rules their full consideration and the Electrical Engineer to Government was addressed in terms of their report.

CONTROL OF DRUGS.

(*See Reports*, 1930, *page* 43 ; 1933, *page* 73 ; 1935, *page* 49 ; 1936, *page* 62 ; 1937, *page* 43 ; 1938, *page* 28.)

In order to give effect to the recommendations of the Drugs Enquiry Committee, in so far as they related to matters with which the Central Government was primarily concerned, a Bill to regulate the import of drugs into British India was introduced in the Legislative Assembly in 1937. The Select Committee appointed by the Legislative Assembly was of the opinion that a more comprehensive measure, providing for the uniform control of manufacture and distribution of drugs as well as of import, was desirable. The Government of India accordingly asked Provincial Governments to invite the Provincial Legislatures to pass a resolution under section 103 of the Government of India Act, 1935, empowering the Central Legislature to pass an Act for regulating such matters relating to the control of drugs as fell within the Provincial legislative list. Such resolutions were duly passed by all Provincial Legislatures.

A Bill was accordingly introduced in the Central Legislative Assembly on the 9th February 1940, the object of which was to regulate the import into, and the manufacture, distribution and sale in, British India of drugs.

The Bill proposed to establish a Board of technical experts to advise the Central and the Provincial Governments on technical matters.

Under Chapter III of the Bill the executive power for the control of the import of drugs into British India would be exercised by the Central Government.

Chapter IV of the Bill related to the control of the manufacture, sale and distribution of drugs and contained the provisions which it was proposed should be enacted in exercise of the power conferred by the resolutions under section 103 of the Government of India Act, 1935, passed by the Provincial Legislatures. The executive power under Chapter IV would be exercised by Provincial Governments.

Two identical schedules were appended to the Bill prescribing the standards to be complied with by (1) imported drugs and (2) by drugs manufactured, sold or distributed in British India. The Central Government would have power to amend the First Schedule but power to amend the Second Schedule would rest with Provincial Governments.

In order to ensure that before any action was taken due consideration was given to the desirability of maintaining uniformity, provision was made in Chapter II for a single Technical Advisory Board, which both Central and Provincial Governments would be required to consult before modifying the standards set up by the Bill and before making rules under the Bill.

The Bill was examined by a Special Sub-Committee of the Chamber whose report was adopted by the General Committee and the European Group in the Central Legislature was addressed in terms of the Report.

The Committee were of opinion that the Drugs Technical Advisory Board to be constituted under Chapter II of the Bill should include at least one representative of indigenous manufacturers and one representative of manufacturers of imported drugs or if this was not feasible, the Sub-Committees to be constituted under Clause 5 (2) (5) of the Bill should include such representatives of manufacturers. Representation of manufacturers was considered essential to

assure that full consideration would be given to any practical or other difficulties manufacturers might visualise in complying with the Board's recommendations to the Central and Provincial Governments.

Clause 3 (*b*).—The Committee urged that provision should be made for the import, manufacture, sale and distribution of drugs for the treatment of animals not being of the standards prescribed for drugs intended for use in the treatment of human beings. It was considered that many of the refinements and high degrees of purity desirable for drugs used in human medicine were not necessary in the case of veterinary medicines and would increase the cost so as greatly to curtail the work of Government and other Veterinary Institutions with the limited allotments they received. It was suggested that provision should be made by the addition of an extra column to the first and second schedules in which the standards for veterinary medicines should be given. It would be possible to check any abuse of the sale of drugs of veterinary quality by prescribing the labelling for containers of such drugs.

Clause 6 (2) (*b*).—The intention of this Clause was not clear. It was not specified which patent and proprietary medicines were to be registered, although from the context of the Bill it appeared that certificates of registration were only necessary for remedies, the formulæ of which were not otherwise disclosed. It was pointed out that many medicines coming under the Bill's definition of patent and proprietary medicines were not secret remedies and most were labelled as prescribed under sections 9 and 17. There would appear to be no object in registering remedies other than those the formulæ of which were not disclosed on the label.

Clause 11 (2) (*h*).—It was felt that great inconvenience would be caused to importers if samples for test were to be taken from every shipment and if the goods had to await the analyst's report before release. In the case of vitamin preparations, vaccines, sera and similar biological products

tests might take some weeks to complete and it was recommended that samples should be taken only occasionally as at present or when the Customs Authorities had good grounds for believing that drugs were not up to quality.

In the case of tests made when there were no grounds for believing that the goods were not up to quality, facilities should be provided for the release of goods pending the test report, and to minimise delay it was considered necessary to have laboratories situated at main ports, capable of carrying out any tests which might be necessary under the Act.

It was also urged that samples required by the Customs Authorities for tests should be taken as detailed under Section 22 (3) leaving sealed samples or small containers with the importer for independent analysis if necessary, and in the event of a drug being stated to contravene the Act, the importer should have a right to appeal to an independent authority and be provided with a report from the official analyst sufficiently detailed to indicate the exact nature of the deficiency or faulty quality of the drug.

In the event of it being finally determined that a drug was not satisfactory and might not be imported, the importer should not be liable to conviction under the Act if he proved that he had sound reason to believe the drug to be of the prescribed standard.

Clause 11 (2) (*i*).—The Committee considered that an invoice certified by the manufacturer or his authorised exporter to the effect that the drugs invoiced complied with the requirements of the Drugs Act, 1940, should be sufficient as documentary proof of quality.

They were of the opinion that it was desirable for all rules which might be made by the Central and Provincial Governments under Sections 11 and 32 to be circulated for opinions before being prescribed.

It was considered essential that importers and manufacturers' agents should be allowed a period of not less than

6 months in which to dispose of existing stocks and to acquaint their principals, and to enable manufacturers to make the necessary alterations in standards, packing, etc., to comply with rules or amendments of the schedules.

Clauses 11 (2) (*k*) *and* (*l*).—The Committee reiterated the opinion expressed in paragraphs 16 and 17 of the Chamber's letter to the Surgeon-General of the 5th January, 1938, namely, that they would view with grave concern any regulations which would lead to interference by Government with the style of packing already adopted and accepted as being reasonable and adequate in the Indian market as many of the drugs and medicines imported at the moment were known by their packages, and further that there should be no Government interference with the actual labelling of drug containers provided such labelling was reasonable and did not contravene the provisions of the Bill to prevent misbranding. The Committee agreed, however, that Government should have powers to protect the honest drug trade and the public from unsuitable and/or dangerous packages being used for the packing of drugs. They also appreciated the necessity for provision to regulate labelling in certain respects, *e.g.*, having poisons distinctly marked as such.

In their letter to the Surgeon-General with the Government of Bombay, referred to above, the Committee of the Chamber recommended that legislation for the control of the importation of drugs should not be brought into force unless legislation for the control of the manufacture and sale of drugs was enforced by all Provinces simultaneously. The Committee were of opinion that this view should be again emphasized and that an assurance should be obtained from the Government of India that an endeavour would be made in consultation with the Provinces to bring Chapters III and IV into force simultaneously.

Clause 18 (3) (*a*).—It was not clear to what extent, if any, the manufacturer or his accredited agents were liable under this clause if the seller or stockist of a drug which contravened the provisions of Section 17 was able to prove

the drug to be in the same state as when acquired by him. The Committee considered that the manufacturer or any of his accredited agents should not be liable for goods imported without his authority and any licences to import under the Act should only be granted to persons approved by the manufacturer or his accredited agents. Further, in cases where more than one patent or proprietary medicine was manufactured by one manufacturer the latter or his agent should be granted a comprehensive licence which would permit the import of all such patent or proprietary medicines manufactured by him which were not prohibited under Clause 9.

Several amendments were made in the Bill in the Legislative Assembly and after the Bill was passed by both Houses it received the assent of the Governor-General on the 10th April 1940. (Act No. XXIII of 1940.)

REGISTRATION OF TRADE MARKS IN INDIA.

Textile Goods.

(*See Reports*, 1876-77, *page* 27 ; 1877-78, *page* 33 ; 1878-79, *page* 38 ; 1879-80, *page* 38 ; 1880-81, *pages* lxxxviii, 18 ; 1883-84, *page* 152 ; 1890, *pages* 166, 215 ; 1891, *page* 168 ; 1896, *page* 96 ; 1903, *page* 41 ; 1904, *page* 48 ; 1906, *pages* 139, 543 ; 1908, *page* 24 ; 1909, *pages* 80, 541 ; 1913, *pages* 111, 697 ; 1914, *page* 59 ; 1919, *pages* 73, 459 ; 1926, Vol. I, *page* 353 ; 1928, Vol. I, *page* 74 ; 1931, Vol. I, *page* 317 ; 1932, *page* 107 ; 1933, *page* 64 ; 1934, *page* 50 ; 1935, *page* 53 ; 1936, *page* 255 ; 1937, *page* 47 ; 1938, *page* 18, *and* 1939, *page* 77.)

Towards the end of September 1940 the Deputy Registrar of Trade Marks, Bombay, informed the Chamber that for the purpose of facilitating the registration of trade marks in respect of textile goods, a branch of the Trade Marks Registry had been established at Bombay. He pointed out that under section 66 of the Trade Marks Act, one or more Advisory Committees of persons versed in the usages of the textile trade had to be constituted and he

requested the views of the Chamber with regard to such an Advisory Committee. He added that it had been suggested that there should be only one Advisory Committee for the whole of India and that it should meet in Bombay but stated that it might be difficult for Associations stationed outside the Bombay Presidency to send their representatives to Bombay. On the other hand consideration should be taken of the fact that 70 per cent. of the working looms in the country were installed in the Province of Bombay and Bombay claimed to be the largest importing city in India.

Applications under section 85 of the Act for deposit of trade marks, which included trade names and trade numbers, had to be made between 1st October 1940 and 31st March 1941. Application forms whether in respect of textile or non-textile goods were obtainable at the Trade Mark Office in Bombay on payment of One Rupee per set of two forms. Deposits of Trade Marks could only be made by the use of those forms which were issued by the Bombay or Calcutta Trade Marks Office.

In replying to the Deputy Registrar of Trade Marks the Committee stated that Chapter IX of the Trade Marks Act, 1940, recognised the special position of Bombay in the matter of textile goods and they considered therefore that the question of the appointment of an Advisory Committee or Advisory Committees was primarily the concern of Bombay interests and the Deputy Registrar. If experience of the working of the Act suggested Committees elsewhere they could be established in the light of the experience obtained. The Committee were of opinion that the first appointment should be one Committee in Bombay. In regard to the personnel of this Committee, the Committee were prepared to accept the recommendation of the Bombay Millowners' Association, which was as under :—

The Millowners' Associations of Bombay and Ahmedabad	3 each.
The Bombay Chamber of Commerce and the Indian Merchants' Chamber	1 each.

The Native Piecegoods Merchants' Association, Bombay	1 each.
The Bombay Country, Fancy and Grey Piecegoods Merchants' Association ..	
The Hindustani Native Piecegoods Merchants' Association	
The Maskati Piecegoods Merchants' Association, Ahmedabad	

INDIAN MERCHANDISE MARKS ACT.

PROPOSED AMENDMENT.

(*See Reports* 1937, *page* 87 ; 1938, *page* 53.)

The Indian Merchandise Marks Act, which was enacted in 1889, was directed to the suppression of false marking on goods and did not require a positive statement of their actual origin, except in the case of goods which bore false or misleading indication. Marking of the country of origin was thus not generally compulsory under the Act. Since the passing of this Act there had been no substantial modification of it, while there had been a large increase of imports and a very substantial development of industries in India. Public opinion had, therefore, been pressing for amendment of the law, chiefly in two directions.

In the first place, it was suggested that a provision to make the marking of the country of origin on foreign goods imported into British India, whether from the United Kingdom or elsewhere, compulsory had become necessary. A direct statutory provision requiring such marking on all imported goods would, it was apprehended, create almost insuperable administrative difficulties and cause considerable inconvenience to the public. A Bill was therefore introduced in the Central Legislative Assembly in November 1940, which sought to provide for the marking of the country of origin in all necessary cases by vesting power with the Central Government to require, by notification, any class of goods to be marked with the country of origin. In the second place, the law relating to marking

was found to require tightening and it had therefore been proposed that the name of the manufacturer or wholesale merchant should be stamped on cotton piecegoods. A similar provision was also proposed in regard to imported cotton yarn as well as cotton yarn made in Indian factories. The occasion had also been utilised to bring the definition of "trade mark" in this Act and in the Indian Penal Code into line with the corresponding definition in the Trade Marks Act which was passed into law by the Central Legislature in March 1940.

The Bill was referred to a Select Committee on the 8th November 1940, and the Chamber was asked for its views on the Bill by the European Group in the Central Legislature.

After referring the Bill to the Special Sub-Committee who considered and reported on the Trade Marks Bill, the Committee submitted the following observations :—

Clause 2.—When commenting in 1938 on Mr. R. K. Nehru's report the Chamber expressed the view that clause 2 of a Draft Bill attached to his report, which sought to amend the definition of "trade mark" in the Merchandise Marks Act, should not become operative until an interval of at least two years after the Trade Marks Registration Bill became law. The Trade Marks Act had since been passed and by section 83 of that Act it was left to the Government of India to make reciprocal arrangements with any Government outside British India when it thought fit, but in any case not earlier than six months after "the commencement" of section 83 of the Act. That, with most other sections of the Act was not operative at the moment, and the Committee stated that they had no objection to the definition in the Merchandise Marks Act being amended by the present Bill, though they had objections to the definition itself.

The proposed new definition of a "trade mark" in the Merchandise Marks Act, 1889, was a "registered trade mark" as defined in clause (*j*) of sub-section (I) of section

2 of the Trade Marks Act, 1940 :—

or " a mark used in relation to goods.....so as to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark."

The definition of a " trade mark " in the Trade Marks Act included after the words " to use the mark " the further words " whether with or without any indication of the identity of that person." The Committee considered that these words should also be included in this Bill so as to make it clear that the amended definition was the same and had the same effect as the definition in the Trade Marks Act.

Clause 7.—The Committee adhered to the view expressed in 1938, viz., that they opposed the provisions that piecegoods, such as were ordinarily sold by length or by the piece, should have conspicuously marked at reasonable lengths on each piece the name of the manufacturer or the wholesale purchaser in India of the piece. They considered this quite unjustifiable. In the ordinary course of trade merchants frequently bought goods and for various reasons were not prepared to disclose the name of the manufacturer from whom they were bought. Moreover, in many instances the name of the wholesale purchaser was unknown at the time when goods were finished and packed. The object of this provision was to make it possible when goods were wrongly stamped " to attack the evil at its source by taking the proceedings against the manufacturer or wholesale dealer." This the Committee considered unnecessary as section 7(*b*) of the Merchandise Marks Act made it compulsory for a person selling or exposing for sale goods wrongly marked to disclose the name of the party from whom he obtained them.

Clause 8.—The Committee considered that the proposed new clause 12A in the Merchandise Marks Act would be beneficial. This clause gave the Central Government power to require goods to show indication of origin.

Clause 10.—The Committee considered there was no justification for the proposed amendment of section 18 of the Sea Customs Act to make it compulsory for piecegoods to be marked on each piece and cotton yarn on each bundle with the name of the manufacturer, exporter or wholesale purchaser in India. They were opposed to these two provisions in this clause as they were to similar provisions in clause 7.

Clause 12.—As in respect of clause 2 the Committee considered the words " with or without any indication of the identity of that person " should be added to the amended definition of a trade mark in section 478 of the Penal Code.

Clause 13.—The proposed amendment to section 480 of the Penal Code is consequential to the amendment in section 478.

The Committee considered, however, that this section required further amendment. Even as proposed to be amended by the Bill it included no reference to " registered trade marks " and a complainant was left to prove " a connection in trade " much as he had to at the moment. The Committee thought it ought to be specifically provided that the offence of " using a false trade mark " included falsely using a " registered trade mark " and that to establish the offence it should be only necessary to show that a registered trade mark had been used without the permission of the proprietor or registered user. Moreover, the onus of proving permission should lie on the defendant as it did in England under the Act of 1887.

The Committee were of opinion that section 486 of the Penal Code also required amendment and that the present Bill should provide for that. Under section 486 it was an offence to have in possession for sale or purposes of trade any goods bearing " a counterfeit trade mark." There was, however, another way in which trade marks were often criminally misused and that was by filling with spurious goods genuine containers such as bottles, tins, etc., which bore genuine trade marks. The marks on the containers were not counterfeit, they were genuine,

and in such cases a complaint under Section 486 might fail even though the act complained of would be grossly criminal.

The Committee made a further suggestion that this opportunity should also be taken to define in the Penal Code "applying a trade mark" in the same comprehensive way as "applying a trade description" was defined in section 5 of the Merchandise Marks Act.

PROPOSED TAX ON DOGS.

On the 29th August 1940 the Government of Bombay issued a Press Note publishing a draft Bill, based on the lines of the Calcutta and Madras Municipal Acts, which provided for compulsory registration of all dogs in Bombay City and for the levy of a licence fee of Rs. 5 per annum in respect of each dog.

In addressing the Government of Bombay in the matter the Committee stated that they approved the principle underlying the Bill but considered the details of its application needed very careful scrutiny. They suggested, for instance, that in the United Kingdom puppies were not taxed until they were six months old—a very necessary provision, and that considerable danger would exist of the collars and badges being stolen by unscrupulous people if the proposed system was brought into force. They believed that the results of similar legislation in Madras and Calcutta had not been entirely satisfactory.

INDO-BRITISH TRADE AGREEMENT.

Reduction in Import Duty on Cotton Piecegoods.

(*See Reports*, 1932, *page* 40 ; 1933, *page* 107 ; 1934, *pages* 139, 151 ; 1935, *page* 92 ; 1936, *page* 91 ; 1937, *page* 65 ; 1938, *page* 84 ; 1939, *page* 111.)

The following Notification was issued by the Department of Commerce of the Government of India on the 16th April 1940 :—

No. 20-*T.* (17)/39.—Whereas the articles specified in the first column of the Table annexed hereto are chargeable under Items Nos. 48 (3) and 48 (9) of the First Schedule to the Indian Tariff Act, 1934 (XXXII of 1934), at the rates of duty specified in the second column of the said Table,

And whereas the total quantity of the said articles imported from the United Kingdom and retained in India during the cotton piecegoods year 1st April 1939 to 31st March 1940 does not exceed 350 million yards as computed in accordance with Article 10 of the Trade Agreement between His Majesty's Government in the United Kingdom and the Government of India, signed in London on the 20th day of March 1939,

Now, therefore, in exercise of the powers conferred by sub-section (2) of Section 4 of the said Act the Central Government is pleased for the purpose of giving effect to the provisions of Article 10 of the said Trade Agreement, to reduce the rates of duty applicable to the said articles to the rates specified in the third column of the Table below with effect from the 17th April 1940.

Articles, with number of item in the First Schedule under which chargeable.	Present rate of Duty chargeable under the Indian Tariff.	Revised rate of Duty.
48 (3) Cotton fabrics not otherwise specified, containing more than 90 per cent. of cotton—		
(*a*) Grey piecegoods (excluding bordered grey chadars, dhuties, saris and scarves)—		
(*i*) of British manufacture	15 per cent. *ad valorem* or 2⅝ annas per lb. whichever is higher.	12½ per cent. *ad valorem* or 2 1/16 annas per lb. whichever is higher.
* * *	* *	* *
(*b*) Printed piecegoods and printed fabrics—		
(*i*) of British manufacture..	17½ per cent. *ad valorem*.	15 per cent. *ad valorem*.
* * *	* *	* *
(*c*) Cotton piecegoods and fabrics not otherwise specified—		
(*i*) of British manufacture..	15 per cent. *ad valorem*.	12½ per cent. *ad valorem*.
* * *	* *	* *
48 (9) The following cotton fabrics, namely, sateens including italians of sateen weave, velvets, and velveteens and embroidered allovers—		
(*a*) Printed fabrics—		
(*i*) of British manufacture..	17½ per cent. *ad valorem*.	15 per cent. *ad valorem*.
* * *	* *	* *
(*b*) Other fabrics—		
(*i*) of British manufacture..	15 per cent. *ad valorem*.	12½ per cent. *ad valorem*.
* * *	* *	* *

INDO-JAPANESE TRADE AGREEMENT.

(*See Reports*, 1932, *page* 137 ; 1933, *page* 130 ; 1934, *page* 139 ; 1936, *page* 91 ; 1937, *page* 65 ; 1939, *page* 114.)

In April, 1940, the attention of the Committee was drawn to a statement made in the Legislative Assembly by the Commerce Member that a provisional arrangement had been entered into between the Government of India and the Government of Japan pending the conclusion of a new Indo-Japanese Trade Agreement whereby the quota of cotton textile imports into India from Japan was raised from 358 million yards to 400 million yards annually. This action on the part of Government caused the Committee grave concern, as it was in direct conflict with the views expressed by them in their letter to Government dated the 11th May 1939 urging that an attempt should be made to arrive at more advantageous terms. The Committee were informed that the unofficial advisers to Government in July 1939 were unanimous in expressing the view that notice of termination of the Indo-Japanese Trade Convention should be given, but that in December last Government decided against taking this action. It would therefore appear that in addition to granting an increase in the quota of textile imports from Japan, Government had made no compensatory arrangement permitting of increased exports of raw cotton from India to Japan, nor had any stipulation been made as to the limitation in regard to the quantities of piecegoods of different categories in the quota which might be exported to India.

The Committee accepted the fact that Government might have had adequate reasons in deciding not to terminate the Convention, but they could not understand, in the absence of special explanation, why even as a temporary measure, it had seen fit to grant an increase in the import piecegoods quota, as it would appear that such an arrangement must prejudice the chances of satisfactorily concluding an eventual agreement.

The Committee accordingly addressed the Government of India in the matter and requested that they might be furnished with an assurance that the points referred to above had not been overlooked and that the interests of both the Indian textile manufacturers and the producers of raw cotton would not be adversely affected.

The Government of India in reply stated that it was not the intention of the Honourable the Commerce Member, when he answered certain supplementary questions in the Legislative Assembly on the 2nd April 1940 to convey the impression that the Government of India had entered into any arrangement with the Japanese Government which would in the meantime permit an increase in the maximum permissible exports of cotton piecegoods from Japan to India. Government pointed out that the position was that the Japanese Government had announced their intention of increasing the rate of exports of cotton piecegoods to India when the Protocol regarding commercial relations between India and Japan should expire. They had also proposed that in the event of a successful issue of the trade negotiations the allotment of Japanese exports of cotton piecegoods to India should be re-adjusted and re-calculated retrospectively with effect from the 1st of April 1940, in accordance with the terms so reached. The Government of India thereupon replied that they could not give their formal agreement to the above proposals but that in view of the undertaking of the Japanese Government regarding retrospective re-adjustment of Japanese exports of cotton piecegoods to India they were prepared provisionally to say that they would not regard the operation of the proposals as contravening the undertaking previously given by the Japanese Government that they would not take advantage of the lapse of the Cotton Protocol by allowing heavy shipments of Japanese goods to India.

IMPORTS OF TEXTILES FROM CHINESE SOURCES.

In April 1940 the Committee strongly supported a representation that had been made by the Bombay

Millowners' Association to the Department of Commerce of the Government of India urging that immediate steps should be taken to limit, to pre-present war figures, the imports into British India of Chinese yarn and piece-goods.

The Chamber was informed that the question was receiving the careful attention of the Government of India.

INDIA AND BURMA (TRADE REGULATION) ORDER, 1937.

(*See Report* 1939, *page* 117.)

In a Press *communique* issued by the Government of Burma in Rangoon on the 1st April 1940 it was intimated that that Government had on that day given notice to the Government of India under paragraph 7 of Part I of the Indo-Burma Trade Regulation Order. The effect of the notice was to terminate the operation of the Order on the expiry of twelve months from the date of the notice. It was added that the Government of Burma would take up with the Government of India the question of entering into negotiations for a new trade Agreement to commence from 1st April 1941.

Towards the end of December 1940, the Associated Chambers of Commerce of India informed the Chamber that the Government of India had intimated that they were in a position to lay the general outlines of the Burma proposals for a new Trade Agreement before non-official Advisers and had decided to appoint as their Advisers two representatives of the Federation of Indian Chambers, two representatives of the Associated Chambers, one representative of the Bombay Millowners' Assocation and one representative of the Ahmedabad Millowners' Association, with whom would be associated two advisers to be appointed by the Governments of Bengal and Madras (in connection with the subject of imports of Burma rice).

The Associated Chambers enquired whether this Chamber desired to put forward any nominations. The Chamber nominated MR. J. M. B. GIBBONS and was subsequently informed that the names of Mr. R. R. Haddow of Calcutta and Mr. Gibbons had been submitted to the Government of India.

SEA CUSTOMS ACT, SECTION 30—REAL VALUE. WAR RISK INSURANCE.

(*See Report* 1939, *page* 118.)

It was recorded in the Chamber's Report for 1939 that the Customs Authorities in Bombay had issued a notice in January of that year to the effect that in accordance with the orders of the Government of India duty would be leviable as from 16th January 1939, on war risk insurance charges in respect of goods assessable on their value as defined in section 30(*b*) of the Sea Customs Act.

On the 31st January 1940, however, the Collector of Customs issued a notice to the effect that in accordance with the orders of the Government of India, charges on account of war risk insurance would be excluded from the "real value" for the purpose of section 30(*b*) of the Sea Customs Act. This decision took effect as from the 17th January 1940. It was also notified that the decision did not have retrospective effect, and that therefore no claims would be entertained for refund of duty paid on account of war risk insurance charges in respect of consignments for which Bills of Entry were delivered to the Customs Collector under section 86 of the Sea Customs Act prior to 17th January 1940.

SEA CUSTOMS ACT, SECTION 30—REAL VALUE. BREAKAGE RISK INSURANCE.

During May 1940 the Chamber was requested to give a ruling whether the Customs were entitled to include in the "real value" for purposes of assessment to Customs duty the insurance premium on account of breakage insurance.

In reply the Committee stated that in their opinion breakage risk insurance should not be taken into consideration by the Customs authorities when calculating "real value." In 1927 the Customs ruled that "real value" consisted of the cost of the goods with all charges for freight, insurance, packing, commission and interest. The Customs authorities had recently ruled that war risk insurance was not to be taken into consideration and on the same analogy this should also apply to breakage risk insurance. Marine insurance was a risk not usually carried by traders and it was invariably passed on to underwriters and therefore could correctly be judged as an item in the "real value."

Subsequently it was brought to the notice of the Committee that in replying to a member on the question the Calcutta Customs Authorities had stated that insurance against breakage appeared to be one of the ordinary charges in common trade and as such should be included in the landed cost of the goods for the purpose of assessment under section 30(*b*) of the Sea Customs Act. In view of this reply the Committee in July 1940 addressed the Collector of Customs, Bombay, in the matter and pointed out that in their opinion the Customs Authorities were not justified in including breakage risk insurance for the purpose of ascertaining the real value as defined in section 30 of the Sea Customs Act. In their view duty should be assessed only on the C. I. F. price, i.e., including ordinary marine insurance and freight. Breakage insurance applied only to particular classes of goods and as it was not obligatory on the importer to insure against risk of breakage, such goods could always be imported without being insured, thus affecting the final cost. On the other hand, as stated above, marine insurance affected practically all cargo and was a risk not usually carried by traders. It was invariably passed on to Underwriters and, therefore, was judged as an item in the real value. The Collector of Customs replied that he was instituting enquiries at other ports in the matter and would address the Chamber again as soon as a final decision was reached.

DUTY ON IMPORTED TINPLATES.

(*See Report* 1926, *Vol. I, page* 176.)

In May 1940 the Associated Chambers of Commerce of India asked for the views of this Chamber on a suggestion from the Upper India Chamber that the Association should address the Government of India recommending that a substantial reduction be made in the existing rate of duty levied on imported tinplate from foreign countries.

In replying to the Associated Chambers the Committee stated that they considered that this was one of the cases where the War had transformed a reasonable measure of protection into an unreasonable burden on the consumer, and in view of the fact that imports from England were rapidly declining and the indigenous industry was unable to fulfil the demand made on it, there could be no cause for complaint for reduction in the import duty on supplies from foreign countries.

The Chamber was, however, subsequently informed that the majority vote of the constituent Chambers was against representations being made to the Government of India with a view to the reduction of the import duty and the President of the Associated Chambers had decided that, in the circumstances, it was not open to him to take the action recommended by the Upper India Chamber.

CONVERSION OF STERLING INVOICE PRICES INTO RUPEES FOR CUSTOMS PURPOSES.

(*See Report* 1920, *Vol. I, page* 94.)

In 1920 the Customs Department, for the purpose of the conversion of sterling invoice prices into rupees, decided to follow the rate of conversion which the Post Office were adopting from time to time for issue of Sterling Money Orders and British Postal Orders. Later, however, for the above purpose, the selling rate for demand drafts published daily by the Exchange Banks was followed and to avoid confusion it was decided to follow each day the rate quoted

on the previous day. It was suggested that in adopting the selling rates for demand drafts, the Customs Department should work on the nearest whole penny, e.g., when the selling rates were between 2*s*. 3½*d*. and 2*s*. 4⅛*d*. the conversion should be on the basis of 2*s*. 4*d*. and that the proposed procedure should apply to all merchandise without any limit as to value.

The Chamber considered that the simplest plan to adopt would be to use the official rate for the retirement of sterling bills issued daily by the Associated Exchange Banks. In this case, the rate fixed for any one day would be the closing rate from the previous one. As the rate was seldom altered during any one day the Chamber saw no reason why it should be necessary to adopt the suggestion outlined by the Collector, namely, that the Customs Department should work to the nearest penny. The proposal was dropped.

The question was raised again by the Collector of Customs in May 1940 when he suggested that it would be advantageous both to the trade and to the Customs House to adopt at this port the conversion of sterling amounts at the fixed rate of £1 = Rs. 13⅓ so long as the Banks' published selling rate was not lower than 1*s*. 5⅛*d*. and not higher than 1*s*. 5⅛*d*. The Collector stated that this method of converting to the nearest penny was in vogue at the other major ports in India.

The Committee informed the Collector that they were agreeable to the introduction of the proposed method of calculation.

CONTRACT PRICES.

Re-adjustment of Price due to Changes in Tariff Valuations.

In June 1940 the Chief Controller of Stores, Indian Stores Department, enquired whether, in the case of a contract where there was an express stipulation for re-adjustment of price due to increase in tariff values, it was

a clear and unvarying custom of the trade that there was an implied undertaking to re-adjust contract prices due to a corresponding decrease in tariff valuations.

The Committee replied in the negative and pointed out that re-adjustments due to changes in tariff valuations had definitely been ruled as binding only if especially provided for. In the view of the Committee, therefore, if a seller was compelled specifically to guard against any increase, it was the buyer's business similarly to protect himself if he desired to claim the advantage of reductions.

INDIAN SALE OF GOODS (AMENDMENT) ACT, 1940.

Re-adjustment of Price due to Alterations in Customs and Excise Duties.

In a judgment of the Lahore High Court in a civil revision case it was held that since the wording of the Preamble of the Indian Tariff Act, 1934 (XXXII of 1934), referred only to customs duties on goods imported into or exported from British India, section 10 of that Act, which permitted the addition to or deduction from a contract price of an increase or decrease in duty imposed after the making of the contract, did not apply to the excise duty on sugar produced in British India and intended to be sold within the country for home consumption. In order to put the matter beyond doubt and since the subject was germane to the law relating to the sale of goods and contracts of sale, the Government of India introduced in the Legislative Assembly on the 13th November 1940 a Bill to repeal this section of the Indian Tariff Act and to re-enact it as a section of the Indian Sale of Goods Act, 1930.

The Committee informed the European Group at the Centre that they considered that the Bill should receive the support of the Group.

The Bill was duly passed by the Legislature and received the assent of the Governor-General on the 3rd December 1940. (Act No. XLI of 1940.)

TARIFF VALUATIONS.

ANNUAL REVISION.

In accordance with the usual practice the Director-General of Commercial Intelligence and Statistics met representatives of the Chamber on Thursday, 23rd November 1939 and discussed with them his proposals for the revision of tariff values to be fixed for 1940 in respect of articles assessed to duty at tariff valuations. This discussion, however, took place only a few weeks after war was declared and the unsettled condition of the markets due to speculation and panic prevailing at the time made the task of anticipating the future trend of prices a difficult one. It was felt that if after five or six months, it was found that the tariff values fixed proved too high or too low, then the whole question should be reviewed and a fresh examination undertaken. The Director-General consequently met members of the Chamber on Thursday, 23rd May 1940, when his provisional proposals were discussed. The revised tariff valuations came into force with effect from the 22nd July 1940.

The Director-General met members of the Chamber again on Wednesday, the 13th November 1940, and discussed with them his provisional proposals for the tariff valuations for 1941.

CESS ON EXPORTS OF CERTAIN AGRICULTURAL PRODUCE.

Since 1929, when the Imperial Council of Agricultural Research was established as a result of a recommendation of the Royal Commission on Agriculture in India, the Central Government had provided grants aggregating Rs. 84 lakhs for expenditure by the Council on schemes of general research. The Council had practically no source of income other than the contributions from the Central Revenues, which were unstable depending on the state of the finances of the Central Government. The grants so far received though not inconsiderable had proved insufficient

to meet the growing requirements of the research necessary to serve a vast agricultureal country like India. In order to place the Council in a more secure financial position and to provide for the steady development of research a larger and more stable income which would, comparatively, be unaffected by the financial vicissitudes of the Central Government was considered necessary. The Governing Body accordingly approved a proposal in July, 1939, to obtain funds from an export cess, levied at the rate of ½ per cent. on the value of certain agricultural commodities which were not already subject to an export duty or cess. The proceeds of the proposed cess were estimated to amount in a normal year to about Rs. 14 lakhs. A Bill was accordingly introduced in the Central Legislative Assembly on the 1st March 1940 with the object of implementing this proposal. The articles on which it was proposed to levy the cess were :-

Bones ; bristles ; butter ; cereals, other than rice and wheat ; drugs ; fibre for brushes ; fish ; fruits ; ghee ; hides, raw ; hides, cuttings, raw ; manures ; oilcakes ; pulses ; seeds ; skins, raw ; skins, cuttings, raw ; spices ; tobacco, unmanufactured ; vegetables ; wheat ; wheat flour ; and wool, raw.

It was proposed to give to the Central Government power to include additional articles of agricultural, horticultural or live stock produce in the list or remove any article from the list.

The Committee of the Chamber strongly supported a proposal of the European Group in the Central Legislature that the Bill should be circulated, or in any case that it should be referred to a Select Committee provided sufficient time were allowed for the collation of views.

The Bill was referred to a Select Committee.

As it was understood that the Agricultural Produce Cess Bill as it emerged from the Select Committee would come into force early in April 1940, the Committee of the Chamber on the 1st April 1940 telegraphed to the European Group in the Central Legislature requesting them to make

strong representations that in view of the large accumulation of stocks against purchases made prior to the 1st April 1940, the Bill should be applied only to purchases made on and from that date. The Chamber was, however, informed that the Government of India were not prepared to accept an amendment of the Bill on the above lines, but an assurance was given by the Member for Education, Health and Lands that executive orders would be issued to grant exemption in certain cases.

The Act was brought into force as from Monday, 15th April 1940.

The Chamber's attention was drawn subsequently by certain members to the Central Board of Revenue Notification No. 21 dated 20th April 1940 laying down Rules for granting refund and exemptions from the cess. These Rules read as follows :—

1. "When Cess has been levied on any article specified in the Schedule to the said Act exported by land, and the exporter within two months from the date on which the Cess was paid applies for a refund and presents to the Land Customs Officer in charge of the land customs station at which the Cess was paid, a re-importation certificate granted by the proper customs officer at the land customs station or customs port through which the article was subsequently re-imported into India, the Land Customs Officer shall, if he is satisfied of the identity of the article referred to in the certificate with the article in respect of which the refund is claimed, refund the whole amount of the Cess so levied.

2. If any person, exporting by land any of the articles specified in the Schedule to the said Act declares that the article is subsequently to be imported into India, the Land Customs Officer may, subject to any general or special orders of the Collector of Land Customs, permit him to export the article without payment of the Cess leviable thereon.

Provided that a person permitted to export any such article without payment of the Cess leviable thereon shall, if the article is not re-imported into India within such period as may be fixed by the Collector of Land Customs, pay the duty on demand, and the Land Customs Officer shall refuse to pass any goods belonging to such person until the said duty has been paid."

The members pointed out that in these days of uncertainty in regard to freight, etc., it was always possible

that goods might await shipment for a considerable time at, say, Marmagoa, and then be transferred to Bombay for shipment or for local sale.

In bringing this fact to the notice of the Central Board of Revenue the Committee stated that they were of opinion that the period of two months within which claims for refund could be made was inadequate. They preferred that no time limit for applications for refund should be imposed, but if this suggestion was unacceptable to Government, they suggested that it should be extended to six months. They also pointed out that articles such as groundnuts, oilcakes and oilseeds did not lend themselves to ready identification, and they therefore considered that in the case of goods re-imported into India on which cess had already been paid, the Customs authorities should be authorised to accept declarations made by the exporters on the question of identification reserving to themselves the right to call for whatever information they might require. The Committee also enquired of Government whether goods railed from an Indian State to a foreign possession such as Marmagoa would be liable to the Cess.

Later the Chamber's attention was also drawn to the basis of price on which the Cess at ½ per cent. *ad valorem* on the export of certain agricultural produce under the Agricultural Produce Cess Act was levied.

In addressing the Government of India in the matter the Committee stated that they understood that the cess was calculated on the market value of the goods at the time of shipment instead of on the contract price, which they regarded as inequitable as it rendered business uncertain. There was every probability that there would be a difference between the contract price and the market value at the time of shipment and although the advantages and disadvantages might sometimes balance out, the basis on which the seller could calculate the incidence of this cess in his sale price nevertheless remained uncertain.

Government was therefore requested to consider the advisability of ruling that the cess be recovered on the basis of a rate leviable per bag or hundredweight or ton as was already done in the case of exports of cotton.

The Central Board of Revenue subsequently issued a notification No. 35-Customs dated 3rd August 1940 raising the time limit prescribed under the Rules from two to six months. The Board also informed the Chamber that the cess was leviable on the produce of Indian States railed through British India to a foreign possession such as Pondicherry or Marmagoa.

In regard to the question of the levy of the tax on market values, the Government of India stated that they considered that the difficulties involved in the collection of the cess would be solved by the fixation of tariff values under sub-section (2) of section 3 of the Act. It had therefore been decided that such values should be fixed at the time of the annual revision of the tariff values for articles liable to import duty under the Indian Customs Tariff and that they should take effect from the 1st January 1941. This was not done, however, but a meeting between the Director-General of Commercial Intelligence and Statistics with members of the Chamber interested, to discuss the question, was arranged for the 31st January 1941.

LICENSING OF MUCCADAMS AND CLERKS FOR CUSTOMS WORK.

(*See Report* 1938, *page* 83.)

On the 30th November 1940, the Collector of Customs, Bombay, issued a notice to the effect that the scheme of badges for clearing agents, dalals and their clerks would be brought into force on the 1st February 1941, and that on and after that date all clearing agents, dalals and their clerks when they came to transact Customs business at the New Custom House or the Prince's Dock Custom House

or in the docks or bunders, would be required to be in possession of the licences or passes issued to them and would also be required to wear the badges on their person, otherwise they would be liable to have their documents rejected.

In addressing the Collector of Customs in the matter the Committee noted that no provision appeared to have been made for the case of clerks in mercantile firms or individuals personally desiring to transact their own clearing. It was presumed that authoritative individuals would be granted badges by the Collector of Customs in the same way as licences were at the moment issued to all representatives properly transacting Custom House business. This, however, would not apply to private individuals who desired to clear shipments themselves as they would have to secure a badge or risk being rejected. The Committee therefore requested the Collector of Customs to define a special procedure to cover individuals outside the category of clearing agents and dalals.

RAILWAY BUDGET, 1940-41.

Under the Railway Budget for 1940-41 it was proposed to increase the rates and fares from 1st March 1940 as under :—

(*i*) 2 annas in the rupee in the total freight (including terminal and other such charges) on each consignment of goods traffic excluding coal, coke, patent fuel, military traffic, railway materials and stores on revenue account, food grains, fodder and manures ;

(*ii*) 2 annas in the rupee of the total freight on each consignment of coaching traffic other than passenger ;

(*iii*) 1 anna per rupee of fare for all passenger traffic, except for fares of one rupee or less. The existing surcharge on coal, coke and patent fuel would also be increased from 12½ per cent., with the maximum of one rupee per ton, to 15 per cent. without maximum and from 1st November 1940 to 20 per cent.

In response to a request from the European Group in the Central Legislature for the views of the Chamber on the Railway Budget, the Committee telegraphed to the

Group stating that while they deplored further charges on trade in general which incidentally increased the tendency towards inflation, they felt that in the present circumstances the proposals for the increase in rates and fares were justifiable provided the intention was to increase the contribution to provincial revenues.

In February 1940 Parliament had under consideration a draft amendment of the "Distribution of Revenues Amendment Order of 1936." A result of this amendment would be that the provinces would get the benefit of the improvement in income-tax revenues as a result of the war, including that portion of the Excess Profits Tax which was not classed as Corporation Tax.

Under the original order, the amount of income-tax to be retained by the Centre was either the whole of the amount assigned to the province by section 138 of the Government of India Act, or such part thereof as would together with (*a*) the Federation's share of the divisible net proceeds of the income-tax for that year and (*b*) the contribution received from the railways, amount to Rs. 13,00,00,000, whichever was less.

Under the amendment, the contribution received from the railways was altogether excluded. Out of the 50 per cent. of taxes on income assigned to the provinces under section 138 of the Government of India Act and para 5 of the Distribution of Revenues Order of 1936, the Centre would retain during each of the three years 1939-40, 1940-41 and 1941-42 Rs. 4,50,00,000, the balance being distributed to the provinces. The figure of Rs. 4,50,00,000 was the average of the amounts retained by the Centre in 1937-38 and 1938-39 and the amount provided for retention in the budget estimate for 1939-40.

The operative part of the draft Distribution of Revenues Amendment Order stated that the Order should be deemed to have had effect from April 1, 1939.

The European Group enquired whether, in view of the fact that the Railway contributions to Central Revenue would not be taken into consideration in calculating the amount available for distribution from the Central Revenues to the provinces, the Chamber's support to the general line of the Railway Budget was not hampered by the final sentence of the Chamber's telegram. The Committee replied that this was so.

THE INDIAN RAILWAYS ACT, 1890.

TICKETLESS TRAVELLING.

(*See Report* 1936, *page* 137.)

On the 8th November 1940 a Bill was introduced in the Central Legislative Assembly with the object of amending the Indian Railways, Act, 1890, in certain respects. In the statement of objects and reasons appended to the Bill it was mentioned that experience had shown that the provisions in the Indian Railways Act, 1890, relating to ticketless travellers were insufficiently deterrent. The Legislative Assembly in 1936-37 considered and referred to a Select Committee a Bill which had since lapsed, for the purpose of remedying this defect. The Bill under consideration had the same object and sought to achieve it mainly by the provision of more appropriate penalties than were possible at the moment. The Bill also sought to place remaining in a carriage without a ticket on the same footing as entry into a carriage without a ticket, and it reproduced a provision, contained in the previous Bill, for the ejectment of ticketless travellers.

The Committee informed the European Group at the Centre that they considered that the Bill should receive the support of the Group.

The Bill was referred to a Select Committee.

INCREASE IN RAILWAY FREIGHT.

Price Adjustment.

In June 1940 a member requested the opinion of the Committee as to whether a surcharge on railway freight levied during the currency of a contract could be added to the contract price. They specifically enquired whether there was any particular section of the law of contracts which protected the seller against an increase in railway freight, etc., when such increase was enacted by an Act of the Legislature.

The Committee informed the member that they considered extra freight could not be charged unless provided for specifically in the contract and that therefore the sellers were bound to deliver the goods at the price offered even if the railway freight was increased. The Committee expressly stated that this was their view, but as to the specific question whether there was any particular section under the law of contracts protecting such forward transactions against increased railway freight, etc., by an Act of the Legislature, they considered that this was a matter that should be referred by the member to their solicitors.

RAILWAY CLASSIFICATION OF GOODS.

Amendment in respect of certain commodities.

(*See Report* 1939, *page* 131.)

During the year under review the Chamber was asked by the Indian Railway Conference Association for its views in regard to various proposals that were put up for discussion at the meeting of the Commercial Committee in connection with the amendment of the General Classification of Goods. After consulting the Docks and Railways Sub-Committee in each case, the Committee approved of most of the proposals and except in the cases mentioned below, offered no comments :—

Plastic Materials (January 1940).—A proposal was put forward, which aimed at grouping under one head all

the articles which were at the moment separately classified and ordinarily coming under the head " Plastic Materials." The entries affected in the General Classification of Goods were :—

Resin, synthetic ; Bakelite ; Bakelite Ware, n.o.c. ; Ebonite ; Ebonite Ware ; Ivory, synthetic ; Vulcanite, which were classified 6 R.R., and Casein which was classified 4B R.R., 4 O.R.

The suggestion put forward was (*a*) to include the items Casein, Ebonite, Ivory, synthetic, and Vulcanite as subheads under the main head Plastic Material, n.o.c. ; (*b*) to include Bakelite in the list of synonyms as chargeable as Resin synthetic ; (*c*) to introduce a new entry in the General Classification of Goods of " Plastic Materials, manufactured, n.o.c., includes Resin synthetic ware n.o.c., and Ebonite ware n.o.c." ; (*d*) to show Bakelite ware, n.o.c., in the list of synonyms as chargeable as resin synthetic ware n.o.c. ; (*e*) to delete the following entries from the General Classification of Goods : (*i*) Bakelite, (*ii*) Bakelite Ware n.o.c., (*iii*) Casein, (*iv*) Ebonite, (*v*) Ebonite Ware, (*vi*) Ivory, synthetic, (*vii*) Vulcanite.

The articles concerned were at the moment classified 6 R.R. except Casein which was classified 4B. R.R., 4 O.R, on the analogy of Curds. The Committee considered that Casein was more akin to Plastic Materials like Vulcanite and Bakelite than to Curds and that there was no reason why Casein should not be able to bear 6 R.R.

Cowlac Skim Milk (February 1940).—The views of the Chamber were asked in regard to the classification of cowlac skim milk powder. From enquiries made it seemed that the article was classified by the various railways under " Milk condensed and tinned," " Foods, patent, prepared from cereals and/or milk," or " Oilman Stores."

The Committee understood that this milk powder was sold not only in tins but loose and was used both as milk and as a sweetening agent. In replying to the Indian

Railway Conference Association, therefore, the Committee stated that they considered that the article should be classified as " Foods, patent, prepared from cereals and/or milk," under 6 R.R.

Camel's Hair (March 1940).—As there was at the moment no separate classification for camel's hair, the Bikaner State Railway suggested to the Indian Railway Conference Association that the article should be charged at the same rate as goat's hair, viz.,

Camel's hair, loose	8 R.R.
Camel's hair, half pressed	6 R.R.

After referring the question to the Docks and Railways Sub-Committee, the Committee informed the Indian Railway Conference Association that they favoured the following classification :—

Camel's hair, press packed	6 R.R.
Camel's hair, not press packed	8 R.R.

Olive Oil (October 1940).—The views of the Chamber were requested on a recommendation of the Eastern Bengal Railway that a new entry, viz., " Olive Oil " be inserted under the main head " Oils Division C " in the I.R.C.A. Goods Tariff.

The Committee in reply stated that in their opinion the correct classification for Olive Oil should be—

	R.R.	O.R.
Olive Oil in bottles	4 B	4
Olive Oil, n.o.c.	2 A	2

The Chamber was subsequently informed that the Eastern Bengal Railway had withdrawn their recommendation.

Pill Boxes (November 1940).—A proposal was put forward by the North Western Railway to classify " Pill boxes " at 2A R.R., 2 O.R.

The Committee informed the Indian Railway Conference Association that they did not agree with the proposal. They considered that pill boxes might be made of wood, metal, cardboard or glass and as the North Western Railway's proposal only covered those made of wood, it was incomplete. The Committee added that the charges would depend on what the pill boxes were made of, in which case as the classification already contained suitable entries, i.e. wooden articles, various metalwares, brasswares, cardboard boxes, etc., they considered that ample provision existed and no separate entry was necessary.

UP-COUNTRY SURVEYS.

Claims for Shortages against Railways.

(*See Reports*, 1936, *page* 143 ; 1937, *page* 115 ; 1938, *page* 100; 1939, *page* 140.)

As a result of action taken by the Associated Chambers of Commerce of India with the Railway Board during 1937-38 an arrangement was arrived at whereby a survey on damaged goods arriving at a station was undertaken by the railway staff and a certificate in an agreed form issued. In August 1940 the Bombay Underwriters' Association drew the attention of the Chamber to the wording of the heading of this certificate, which read as follows :—

" Permission for a survey to be held by insurance companies on station premises of consignments received in a doubtful condition prior to delivery of the goods."

It seemed that the wording of this heading had led to some confusion and a case was brought to the notice of the Chamber where no survey was held because a representative of the insurance company was not present and the Station Master refused to issue a certificate. This the Committee considered was a mistake on the part of the Station Master. In addressing the Associated Chambers in the matter the Committee suggested that the Railway Board should be requested to arrange for an alteration in the heading to read as follows :—

"Survey held for the information of insurance companies on station premises of consignments received in a doubtful condition prior to delivery of the goods."

The Committee also suggested that all railways might be requested to issue a circular letter to their station staffs similar to the following letter which was issued by the Jodhpur Railway :—

"When a consignment shows clear evidence of damage or loss it should be surveyed by the railway staff and open delivery granted if desired by the consignee irrespective of whether the consignment is booked at owner's risk or at railway risk; and a certificate showing result of the survey or assessment should be granted to the consignee if required by him. For this purpose form No. T/66 has been introduced and can be had on indent from the Controller of Stores, Jodhpur Railway, Jodhpur.

Therefore when a consignment has been received showing clear evidence of loss or damage and the consignee demands open delivery and survey certificate, the station master should arrange open delivery before the traffic inspector in terms of para. 34 of our Claims Manual and grant a certificate to the consignee on the printed form No. T/66."

The Associated Chambers addressed the Indian Railway Conference Association on the above lines and the Chamber was subsequently informed by the Bombay Underwriters' Association that the matter had been satisfactorily adjusted.

DUPLICATE RAILWAY RECEIPTS.

In April 1940 a member brought to the notice of the Committee that at the moment the Railways did not issue Railway Receipts in duplicate for goods delivered to the Railways for despatch. The member pointed out that as the original receipt had to be forwarded to the consignee to enable him to obtain delivery of the goods, there would be no proof of delivery of any specific number of packages to the carriers in the event of the railway receipt being miscarried or lost. The member suggested that if it were not possible for the carriers to issue railway receipts in duplicate they should allow the person who issues the railway receipt to sign an acknowledgment of receipt of packages in an approved book form which could be retained by the sender as an office record.

After consulting the Docks and Railways Sub-Committee the Committee informed the member that the issue of duplicate railway receipts could not be permitted since they were documents which came under the Negotiable Instruments Act. The ownership of goods under the possession of the railway receipt was thus transferable from one party to another and the Railway was bound to give delivery to the party producing the railway receipt provided it had been correctly endorsed in his favour. It was obvious therefore that the issue of duplicate railway receipts would be open to very grave fraud and not only would Railways find themselves involved in heavy claims, but the business community would also be involved in losses by wrongful delivery.

If a railway receipt was lost delivery was effected in absence of the railway receipt on execution of a stamped indemnity bond. This bond was obtainable from the forwarding or receiving station on payment of Re. 1 for the adhesive stamp. If a consignment was booked to self the indemnity bond must be executed by the consignor and forwarded to the consignee as authority to deliver. If a consignment was booked to another party, the consignee must execute an indemnity bond before delivery could be given to him. If the sender failed to record particulars of a railway receipt in his private record he could, on application to the forwarding station, obtain any particulars he required from the record portion of the railway receipt which was maintained at every station.

URGENT PRIVATE INLAND TELEPHONE TRUNK CALLS.

In April 1940 the Chamber was asked by the Associated Chambers of Commerce of India for an expression of its views on Notification No. RS-3/39, Coll (32) published in the *Gazette of India* dated 23rd December 1939 which provided that, with effect from the 1st January 1940, a telephone subscriber using the trunk service might, by

paying double rates, book an urgent inland call and thereby obtain precedence over all ordinary private inland trunk calls previously applied for. The notification also reduced the period during which calls were charged at half the rates from " 8 p.m. to 8 a.m. " to " 10 p.m. to 6 a.m."

Although in individual cases the current system was found to be convenient, the majority of the Committee favoured a reversion to the old system. This was based on the fact that in times of slack trade the present system was practically inoperative, whilst in times of activity or speculation ordinary calls might be delayed indefinitely, and it was therefore necessary to telephone at a double rate or not at all.

Activity was sometimes unexpected and it was the experience of certain members that when registering an ordinary call they had been told that it would take a quarter of an hour whilst owing to an influx of urgent calls, the calls might take 6 hours or even more.

The current system, at best, might result in shortening the period of waiting by a certain percentage of time, but the Committee were not convinced that this saving was commensurate with the additional cost involved.

As regards the reduction of the period during which calls were charged at half rates from " 8 p.m. to 8 a.m." to " 10 p.m. to 6 a.m. " the Committee were in favour of a return to the original period.

The above views were submitted to the Associated Chambers of Commerce of India who in addressing the Director-General of Posts and Telegraphs in the matter recommended that either the former system should be reverted to or, if the current system was retained, that it should be subject to the following modifications, namely :—

(*i*) that provision should be made whereby an urgent call which was not put through within fifteen minutes should be treated as an ordinary call and charged accordingly ;

(*ii*) that when a personal call was booked, the excess charge should be twenty-five per cent. of the ordinary call rate and not of the urgent call rate, as the caller had already paid the increased charge to get preference and there was no reason why a further double charge should be made for calling a particular person ;

(*iii*) that the urgent trunk call rate should apply only to the first three minutes ; i.e., if the subscriber making the urgent call found it necessary to extend the period, he should be charged the urgent call rate for the first three minutes only and the ordinary rate for the remaining period if available.

As regards the reduction in the half-rate period from "8 p.m. to 8 a.m." to "10 p.m. to 6 a.m.", the Associated Chambers stated that it had been strongly urged that the effect of the change had been to deprive the business community of the benefits and the Chambers would accordingly welcome a return to the previous hours.

In the course of d/o correspondence between the President of the Associated Chambers and the Director-General of Posts and Telegraphs the latter explained that in general the attitude of the Department was that where it was possible to offer facilities to subscribers it was the duty of the Department to do so, leaving it to subscribers to take advantage of these facilities or not according to their requirements. The Director-General pointed out that the number of urgent calls was very low and that therefore it could not be said that the urgent calls were unduly delaying calls of the ordinary class. Statistics were produced in support of this contention and these revealed the following :—

Bombay—Calcutta circuit ..	urgent traffic was 7 per cent. of the total traffic.
Bombay—Delhi circuit ..	urgent traffic was 6 per cent. of the total traffic.
Delhi—Calcutta circuit ..	urgent traffic was 8 per cent. of the total traffic.

The Director-General in an official reply to the Associated Chambers also stated that it was significant to note the admission that urgent calls did not furnish a quicker

service. Obviously during slack traffic periods there should be no need to book expensive urgent calls. It was reiterated that the urgent rate call was introduced to afford priority in cases where the traffic was found to be heavy. The following remarks were, however, offered on the suggested modifications :—

(*i*) it would be impracticable to alter the class of urgent calls as proposed. It was open to a subscriber to cancel an urgent call should it fail to mature within 15 minutes and to book an ordinary call instead.

(*ii*) the statement that the extra call charge in the case of urgent P.P. calls was 25 per cent. of the urgent rate was not correct. The P.P. Charge in all cases was only 25 per cent. of the ordinary full rate fee for a period of 3 minutes.

(*iii*) It would be unreasonable to charge the second three minutes of an urgent call as for ordinary calls and yet afford the subscriber priority over ordinary traffic which had probably been booked before the urgent call had been registered.

It was added that the half rate period was primarily intended for the benefit of private and personal calls. It was probable that the half rate period would be restored to normal when normal conditions prevailed.

The Committee decided not to offer any further comments at the moment, more especially as it was proposed to ventilate the question at the annual general meeting of the Associated Chambers.

POSTAL RECEIPTS FOR REGISTERED PACKETS.

In August 1940 a case was brought to the notice of the Committee of an important legal document being sent by registered post, the extra payment made for ' registered for acknowledgment ' and the failure on the part of the Postal authorities to produce the registered receipt for nearly two months. This was due to the fact that the first receipt was lost in the post and an attested copy had to be obtained of the receipt in question. The Committee understood that no record as to the disposal of registered receipt

slips was kept nor were the receipts in turn despatched to the sender by registered post. In view of the importance of the matter, the Committee suggested to the Director-General of Posts and Telegraphs that the registration rules should be altered to allow (if necessary with extra payment) for registration receipts to be returned to the sender by registered and not ordinary post.

The Deputy Director-General, Postal Services, in reply stated that provisions existed for delivery to the sender of a registered article of a form of an acknowledgment and in the event of the acknowledgment failing to reach the sender the Post Office invariably obtained one and furnished it. The question of more prompt and careful handling of these acknowledgments had been taken up.

As regards the suggestion for acknowledgments to be returned by registered post the Deputy Director-General contended that it would make the acknowledgment due system expensive as it would cost the sender a sum of three annas more over and above the existing cost for such article. Further, there were also difficulties in operating such a system for which the demand would be very small. Moreover, such complaints about loss of acknowledgments were few and far between. The Director-General was consequently of the opinion that the system suggested by the Chamber would not be desirable.

MAILS TO THE UNITED KINGDOM.

(*See Report* 1939, *page* 159.)

It was recorded in the Report for 1939 that the Chamber had urged on the postal authorities that mails should be despatched to the United Kingdom, as and when opportunity offered, by any British tonnage sailing to United Kingdom ports and they should not be held over for despatch by P. & O. vessels only. The Associated Chambers of Commerce of India also addressed the postal authorities. In view, however, of the fact that it was expected at that

time that the P. & O. would be resuming their regular weekly services, the matter was allowed to drop. As the delay in despatching mails to the United Kingdom was again becoming acute the Committee, in August 1940, suggested to the Associated Chambers of Commerce of India that it was desirable that the question should be re-opened and that the Association should renew their representation to the Government of India.

In October 1940 the Director-General of Posts and Telegraphs informed the President of the Associated Chambers that arrangements had been made to utilise British vessels other than those of the contract line for the conveyance of mails from India provided they were likely to be at least equally advantageous and safe.

In the above connection the Chamber, in July 1940, addressed the Postmaster-General, Bombay, pointing out that business houses were accustomed to send duplicates of their correspondence with their United Kingdom connections at a short interval after the originals had been despatched by mail and by a different boat. At the moment no announcements were permitted of the sailing dates of mail vessels. There was, in consequence, considerable likelihood of both the original letter and the duplicate being posted by the same mail. The Chamber therefore suggested that it would be of considerable advantage to commercial interests represented by this Chamber if it could be arranged that the Chamber should be advised at regular intervals, even some days after the event, that mails received up to a certain stated date had been despatched from India. The Chamber would then in turn advise members who would know that they could post the duplicate copy without any danger of its travelling by the same boat as the original.

The Postmaster-General in reply stated that arrangements had been made to advise the Chamber confidentially that sea mails for the United Kingdom posted up to a

certain date at the Bombay G.P.O. had been despatched. This has since been done regularly.

In June 1940 in view of the international situation it was found necessary to suspend temporarily the despatch of air mails for the United Kingdom or any country in Europe or West Africa and correspondence for these two countries was transmitted exclusively by the surface route. The Committee of the Chamber supported a proposal for the despatch of mails for the United Kingdom by air to Durban via Cairo and thence to the United Kingdom by the surface route. This scheme was brought into operation from the third week in July 1940.

In connection with a suggestion from the Bombay Presidency Trades Association that the date of delivery of Indian mails in the United Kingdom should be published, the Postmaster-General, Bombay, stated that the Defence Regulations would not admit of any publication of such information. In addressing the Postmaster-General in the matter the Committee pointed out that Reuter's Commercial, Financial and Shipping Service regularly supplied to their subscribers a statement similar to the following.

"London, August 26, Monday. The air mail from Bombay of June the 14th and the sea-borne mails of June the 20th and 27th were delivered in London to-day."

In view of this the Committee suggested that the Postmaster-General might re-consider his previous opinion.

The Postmaster-General, however, informed the Chamber that the Director-General of Posts and Telegraphs had decided that as his Department did not get any information regarding the dates of delivery of Indian mails in the United Kingdom it was not possible to publish the same.

In regard to the question of the despatch of sea-borne mails via Colombo, the Postmaster-General stated that as arrangements had been made for the despatch of Indian

mails for the United Kingdom from Calcutta, Madras or Bombay, by any available British or other reliable vessels when they were likely to be advantageous and safe it was not considered necessary to divert the sea-borne mails via Colombo.

The Committee again addressed the Postmaster-General and suggested that in so far as information in regard to the arrival of Indian mails in the United Kingdom was available from the British Post Office authorities, since it was obtained from Reuter's Telegraph Agency, an endeavour should be made by the Indian Posts and Telegraphs Department to secure it and in turn make it available to the Indian public.

THE INDIAN MERCHANT SHIPPING (LIFE-SAVING APPLIANCES) RULES, 1934.

(*See Report* 1934, *page* 220.)

In May 1940 the Principal Officer, Mercantile Marine Department, Bombay District, asked for the views of the Chamber on a draft of certain rules which it was proposed to make under the provisions of the Indian Merchant Shipping Act, 1923 (XXI of 1923) and in supersession of the Indian Merchant Shipping (Life Saving Appliances) Rules, 1934.

After examining the draft rules in consultation with shipping interests concerned the Committee informed the Principal Officer, Mercantile Marine Department, that they had no objections or suggestions to offer.

INTERFERENCE OF PORT TRUSTS WITH FREIGHT RATES.

In September 1940, in replying to a reference from the Cochin Chamber of Commerce as to whether Port Trusts could allocate to themselves the power of influencing freight rates, the Committee stated that in their view such action was entirely outside the jurisdiction of a Port Trust. It was added that members of the Committee had had experience as Port Trustees not only of Bombay but also of Rangoon

and Karachi and they could definitely state that any attempt by the Cochin Port Trust to control freight rates would be strongly resisted by the Shipping Companies.

WHARFAGE CHARGES IN KARACHI.

In July 1940 a member brought to the notice of the Committee that recently when the port of Bombay was closed to shipping a consignment destined for Bombay had been discharged at Karachi. A bill had subsequently been submitted by the Steamer Agents which included what they considered were exorbitant charges for wharfage at Karachi, in addition to transhipment freight from Karachi to Bombay. In view of the special circumstances the member considered that wharfage charges should have been reduced to a reasonable figure and that the Karachi Port Trust should not have collected at their usual charges.

The Committee stated that in so far as there was nothing to indicate in the member's letter that there had been a definite overcharge in wharfage, it was presumed that they opposed the charge of the standard schedule rates because of the special circumstances. In the view of the Committee, the Karachi Port Trust, since they had received and stored such cargo and were responsible for it, could reasonably argue that they were entitled to their fees. If, however, the member considered that the Port standard charges were too high, this was a matter that should be taken up by them direct with the Karachi Chamber of Commerce.

The Committee added that they appreciated that war interference formed a ground for appeal against penalties, but where wharfage was incurred, this entailed costs and could not be included in the same category.

CLOSING OF ROAD GATES AT THE DOCKS.

In February 1940 the Manager of the Bombay Port Trust Docks asked for the views of the Chamber on a repre-

sentation which had been received from the Bombay Port Trust Docks Staff Union for closing the Dock Road Gates to the receipt of export cargo at 6-30 p.m so that the staff might be free to proceed off duty by 6 p.m. It was pointed out that the working hours at the Docks as laid down in Docks By-law No. 118 were from 8 a m. to 12-30 p.m. and from 1-30 p.m. to 6 p.m. The By-law provided for deliveries at the Docks transit sheds to be stopped at 5-30 p.m. and this enabled the Import Gate Staff to complete their day's accounts in the interval between 5-30 p.m. and 6 p.m. so as to be free to proceed off duty at the official closing hour. In the case of exports, as the cargo was allowed to be received at the gate until 6 p.m. the same opportunity for the preparation and checking of accounts was not afforded to the Export Gate Staff who were required in consequence to remain on duty beyond the official closing hour.

The Committee did not regard the suggested alteration as unreasonable and informed the Docks Manager that they favoured the proposal but with one very definite stipulation, namely, that the Docks Manager must still retain the power to extend the period should this be considered necessary to him on any particular occasion.

LORRY DRIVERS STRIKE IN BOMBAY.

Remission of Port Trust Extra Fees.

(*See Reports* 1932, *page* 223 ; 1936, *page* 187.)

As a result of representations made by the Chamber to the Bombay Port Trust, the latter directed that the period of the strike of the lorry drivers in Bombay, namely, from 26th to 30th April 1940, inclusive, should be treated as "Sundays" both at the Docks and at the Bunders, which entitled importers to a remission of the extra fees incurred during that period ; the concession did not apply, however, to goods which had come on to extra fees when the strike began.

TOWN DUTIES.

PROPOSED AMENDMENT OF SCHEDULE H OF THE CITY OF BOMBAY MUNICIPAL ACT.

(*See Reports*, 1936, *page* 192 ; 1937, *page* 181 ; *and* 1939, *page* 175.)

It was recorded in the Chamber's Report for 1939 that the Government of Bombay had published a Bill which had for its object the amendment of Schedule H of the City of Bumbay Municipal Act, 1888, relating to the levy of town doties by the Bombay Municipality. The new items proposed to be included in the Schedule were :

Ply wood, Tea, Coal, Dates Dry, Dates Wet, Cement, Iron and Steel, Paper and Tinned Provisions.

The Chamber strongly opposed the Bill both on general principle and in detail, and it was subsequently learnt that the Bill had been dropped.

The question of the amendment of the Schedule again came up for consideration before the Bombay Municipal Corporation in July 1940 when the Corporation adopted an amendment to a resolution that was put forward with a view to requesting Government to expedite legislation in the matter. The amendment was to the effect that Government should be informed that before they enacted any legislation the draft Bill should be forwarded to the Corporation for scrutiny. The mover of the amendment stated that the question of town duties had to be re-considered and that it would be undesirable to impose any tax on foodstuffs.

BOMBAY MUNICIPAL TOWN DUTY REFUND RULES.

(*See Report* 1936, *page* 191.)

It was recorded in the Chamber's Report for 1936, that the Chamber's representative on the Bombay Municipal Corporation had in July of that year informed the Chamber that the question of amending Rule 13 (2) (*b*) of the Town

Duty Rules had been discussed by the Standing Committee who proposed to submit to the Corporation a Proviso to Rule 13 (2) (*b*) reading as follows:—

"Provided that any *bona fide* clerical or arithmetical mistake in any of the documents or errors arising therein from any accidental slip or omission shall not be deemed to be a material omission or discrepancy."

Rule 13(2)(*b*) read as follows:—

13. (2) Any application for refund shall be disallowed—

(*a*) * * * * * *

(*b*) if there is any material omission in either the original or the duplicate export note, or any material discrepancy in respect of the particulars entered by the Exporter, or in respect of his signature, between any two of the three documents specified in Rule 11.

The Corporation did not accept the Standing Committee's recommendation but referred the matter back to the Commissioner.

The Committee of the Chamber had previously discussed this question in 1934 when they came to the conclusion that there was no case for an amendment and after again considering the matter they expressed the opinion that the existing rule was adequate and required no alteration.

Recently, however, the applications for refund of Town Duty of several exporting merchants were rejected by the Town Duty Refund Officer on account of discrepancies in the applications, although these discrepancies were mere clerical errors, arithmetical mistakes, accidental slips or omissions, and in many cases merely omission to enter in the Export Notes the number of the motor vehicle or the name of the driver. In one case where a member of the Chamber was concerned the claim was refused on the ground that the port of destination of the goods had been omitted from the claim, although it had been shown on the shipping bill. The matter was brought to the personal notice of the Commissioner as the Committee considered the claim a reasonable one but it was not admitted.

In the meantime a joint representation was submitted to the Municipal Commissioner by local Merchants' Associations urging that the proviso recommended in 1935 by the Standing Committee of the Corporation might be incorporated in Rule 13 (2) (*b*) of the Town duty Refund Rules.

In addressing the Municipal Commissioner in the matter the Committee stated that they considered that the time had arrived when the town duty refund rules should be so amended as to avoid the existing hardship to merchants who by reason of inconsequential errors or omissions were denied refunds of town duty which were justly due to them.

In August 1940 the Committee again addressed the Municipal Commissioner urging that the Town Duty Refund Rules should be so amended as to provide "that any *bona fide* or clerical or arithmetical mistake in any of the documents or errors arising therein from any accidental slip or omission shall not be deemed to be a material omission or discrepancy."

The Committee considered that an amendment such as this was very necessary in the merchants' interests, and indeed a matter of elementary justice and they expressed a hope that it was being proceeded with.

Up to the time of writing this Report no reply was received from the Municipal Commissioner beyond an acknowledgment of the Chamber's letter

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TAXES ON PROFESSIONS, TRADES, CALLINGS AND EMPLOYMENTS.

Under the provision of section 2 of the India and Burma (Miscellaneous Amendments) Act, 1940, published in Part I of the *Gazette of India*, dated 24th February 1940, a new section 142A was added to the Government of India Act, 1935, to provide (*a*) that the total amount payable in respect of any one person to the province or to any one municipality, district board, local board or other local

authority by way of taxes on professions, trades, callings and employments should not exceed Rs. 50 per annum; but (*b*) that if, during the year ending on the 31st March 1939 there was in force in any province or in any such municipality, etc., a tax on professions, trades, callings or employments, the rate of which, or the maximum rate of which, exceeded Rs. 50 per annum, such tax should not be illegal unless provision to that effect were made by a law of the Federal Legislature, which law might fix the rate or the maximum rate at which the tax might be levied.

In drawing the attention of constituent Chambers to the above amendment of the Government of India Act the Associated Chambers requested to be furnished with (*a*) particulars of all taxes on professions, trades, callings and employments in force within each province and (*b*) the opinion of the Chamber on a suggestion made by the Bengal Chamber that the Government of India should be approached with a view to the introduction of legislation for the purpose of limiting all such taxes to a maximum of Rs. 50 per annum.

In replying to the Associated Chambers the Committee stated that no tax on professions, trades, callings and employments were enforced in the province of Bombay, but at the same time they were fully in accord with the proposal that the Government of India should be approached with a view to introducing legislation limiting such tax to a maximum of Rs. 50 per annum.

In forwarding a summary of the replies received from the various Chambers to the above reference the Associated Chambers enquired whether in the light of the additional information available the Chamber had any further opinions and recommendations to submit. The Committee in reply stated that although Bombay was not directly affected by a professional tax they confirmed the view previously expressed by them and were willing to concur in any representations the Associated Chambers might decide to make in the matter.

The Associated Chambers subsequently stated that the replies to the first of the circulars sent out by the Association revealed :—

(*i*) that all the constituent Chambers who expressed an opinion were in favour of action being taken on the lines suggested by the Bengal Chamber ;

(*ii*) that the Madras Chamber at that stage thought that action should be taken via provincial interests through their own Provincial Governments ;

(*iii*) that cases in which these taxes exceeded Rs. 50 were confined for the most part to Bengal, Madras and the U. P.

Replies to the second of these circulars :—

(*i*) again showed that the majority of Chambers were in favour of action being taken ;

(*ii*) disclosed a change of attitude on the part of the Madras Chamber who expressed themselves in favour of Central action as distinct from provincial action. It was at this stage that the Madras Chamber introduced the suggestion of a private Member's Bill in the Central Legislature. The other constituent Chambers had not been consulted on this particular proposal ;

(*iii*) showed that, in view of only three provinces being affected, the Bengal Chamber agreed with the original view of the Madras Chamber that action should be taken provincially.

The Madras Chamber proposed to move the following resolution at the ensuing annual general meeting of the Associated Chambers in December 1940 :—

"That in view of the enactment by Parliament of the India and Burma (Miscellaneous Amendments) Act, 1940, and of the new section 142A to the Government of India Act, 1935, contained therein, this meeting of the Associated Chambers of Commerce of India requests the Government of India to undertake the legislation necessary to apply to all Provinces the maximum limit of Rs. 50 per annum provided in the said section for taxes on professions, trades, callings and employments levied under provincial law by any province, municipality, district or local board or other local authority."

The Committee informed the Associated Chambers that they approved the resolution and agreed that it should be included in the agenda of the annual general meeting. The resolution was, however, withdrawn without discussion at the annual general meeting.

TAX ON TRADES AND PROFESSIONS.

Proposed levy by the Bombay Municipality.

(*See Report* 1939, *page* 186.)

In September 1940, the Committee asked the Chamber's representative in the Municipal Corporation to oppose a proposal which had been put forward by the Retrenchment and Reforms Enquiry Committee of the Corporation for the introduction of a Trades and Professions tax, on the ground that the tax was analogous to Income-tax. The Committee were aware that the Municipality was competent to impose such a tax but the fact remained that the assessee would have to pay twice in respect of the same income.

MOTOR VEHICLES ACT.

Maximum and Minimum Fares for Stage Carriages.

In September 1940 the Government of Bombay informed the Chamber that a question on which a decision appeared necessary was the fixation of maximum and minimum fares for stage carriages. Power to do this did not lie with Regional Transport Authorities but was vested under section 43(1) of the Motor Vehicles Act, 1939, in the Provincial Government. Government considered that *prima facie* a case existed for the fixation of maximum and minimum fares, the former to protect the passenger and the latter to portect the operator.

Before taking action in this connection the Government of Bombay requested the views of the Chamber on the question and in particular on the following points :—

(*a*) Should the proposed rates be applicable throughout the province or should they vary according to areas or routes ?

(*b*) If the latter, in what areas or routes within the Chamber's knowledge would higher maxima and minima be justified ?

(*c*) What would be fair maximum and minimum rates either generally or for particular areas or routes ?

(*d*) Can any details be given of operating costs, distinguishing between fixed charges and actual running costs. What would be the variation in a 12—14 seater, 16—18 seater, and 22 seater bus.

Government added that in exercising any power to fix a minimum rate of fare, due regard would be paid by them to those cases where any railway administration had sought to kill road competition. Exceptionally low railway fares would come within the meaning of the expression " taking unfair advantage " in section 43(2) of the Act.

In replying to the Government of Bombay the Committee stated that when the Motor Vehicles Bill was under consideration the Chamber opposed the proposal to fix fares as it was considered detrimental to the country's normal development of communications and meant that a new and cheaper form of transport might be deprived of such advantages as it might possess of cheaper running costs. The Committee stated that they still considered that there was not any general need for either maximum or minimum fares to be fixed. As long as Provincial Governments had no power to adjust fares charged by other forms of transport, namely, the Railways, and while the Railways enjoyed the power to manipulate fares to meet competition from motor transport, it seemed most inequitable for Government to fix fares for only one form of transport, i.e., motor transport.

The Committee appreciated the desire of Government to see that the fares charged on any system of transport were not extortionate and they considered that if it was decided to fix a rate this should be a maximum rate at a reasonable level after taking into account the operating costs and making allowance for a reasonable and a fair margin of profit. The Committee considered, however, that there should be no fixation of minimum fares and they submitted the following reasons in support of their contention.

The main argument for the fixation of minimum fares was that it could check uneconomic and cut-throat competition. The hypothesis was that an operator who was financially strong would force a rival out of business by reducing rates temporarily below the economic level, and when his object had been achieved, make up for his losses by charging extortionate rates. This hypothesis broke down when a maximum rate was fixed, allowing only for a reasonable margin of profit, since it would not be worth while for a transport operator to incur considerable losses without the prospect of recovering them in a reasonable period. The fixing of a minimum fare would, in practice, be tantamount to fixing the actual fare. Uninformed public opinion or local bodies would expect the minimum fare to operate irrespective of any other conditions. It would be necessary, however, for any maximum limit laid down to be elastic, i.e., capable of variation from time to time according to changes in cost of operation. It would of course be essential for a strict control to be exercised so that at no time would the standard of transport service fall below that which was envisaged when the cost of operation was computed. This would ensure that if the operator charged low rates he really would suffer losses instead of merely reducing rates at the expense of the standard of service offered. In cases where two bus operators ran over the same sections of any route the fares charged by each per person should be the same regardless of the seating capacity of the vehicles. If the operators were unable to agree on a common fare the Provincial Government should fix the fare after investigation by the Regional Transport Authority.

The Committee pointed out that the fixing of minimum fares would penalise the motor transport operator *vis-a-vis* the Railways as the latter would be in a position to lower its rates to an extent that would enhance the opportunities it already had and was in many cases taking, for unhealthy competition with a view to killing the road services.

The Committee then gave the following replies to the specific questions put by Government.

(*a*) The Committee considered that any rates fixed should vary according to the areas or routes for the following reasons :—

(*i*) The fares should naturally be higher on Ghaut traffic.

(*ii*) The price of petrol differed in different localities according to their distance from Bombay.

(*iii*) The volume of traffic also differed in different localities.

(*b*) There should be higher maxima fares for—

(*i*) Ghaut traffic.

(*ii*) Municipal areas. Operators in these areas had to provide extra vehicles to meet short period peak load traffic and they were frequently expected to run services, which if taken individually, would be uneconomic, but which public opinion or the local authority demanded.

(*iii*) Short routes.

(*iv*) Interior roads, where there was very little traffic.

(*c*) Short of a travelling commission on the routes where all these buses were likely to operate it was impossible to reply to this question.

(*d*) The following table represented the actual working cost of the types of stage carriage buses in common use, namely, 12-seater, 14-seater, 16-seater, 18-seater and 22-seater. These costs were arrived at after allowing for all expenses, both fixed and variable, some of which, it was mentioned, had not to be incurred by the operators prior to the coming into force of the new Motor Vehicles Act. The ratio of the fixed charges to the actual running cost

was approximately 75 to 25 per cent. in the case of the 22-passenger bus with a slight variation in the case of the others :—

For a 22-passenger bus—5 pies per passenger mile ;
,, ,, 18-passenger bus—6 pies per passenger mile ;
,, ,, 16-passenger bus—7 pies per passenger mile ;
,, ,, 14-passenger bus—8 pies per passenger mile ;
and ,, ,, 12-passenger bus—9 pies per passenger mile.

In conclusion the Committee stated that they felt that with the control introduced by the Motor Vehicles Act and the various restrictions imposed on motor transport, the road transport industry would, if left to itself, automatically adjust itself to the new circumstances and uneconomic competition would in course of time disappear.

LONG-DISTANCE MOTOR TRAFFIC BY ROAD.

In June 1940 the Government of Bombay informed the Chamber that they were considering the question of the possible prohibition or restriction of the long-distance carriage of goods by road as contemplated in section 43 (1) of the Motor Vehicles Act, 1939. Government stated that as far as this province was concerned there had been a rapid growth of this form of transport in recent years not only between Bombay City and outlying parts of the province, but also between Bombay City and places as far distant as Hyderabad (Deccan), the Central Provinces, the United Provinces and the Punjab, i.e., over distances extending up to 1000 miles. From information at Government's disposal it appeared, for example, that some 250-300 lorry loads a month were coming into Bombay City from places beyond the boundaries of the province and a corresponding number returning to those places. Incoming traffic consisted of cotton, jaggery, groundnuts, betel leaves and turmeric, whilst the outgoing consisted of any form of general merchandise that could be obtained for a return load.

Section 43 (1) of the Act indicated that in coming to any decision as to whether the long distance carriage of goods by road should be allowed to continue, the following points needed consideration :—

(*a*) the advantage offered to the public, trade and industry ;

(*b*) the desirability of co-ordinating road and rail transport ; and

(*c*) the desirability of preventing deterioration of the road system.

Government assumed that there would be general agreement that where no alternative form of transport existed, there could be no objection to even encouraging the transport of goods by motor vehicles over lengthy distances, as such an action would be conducive to opening up new markets for the disposal of produce, etc., and the community as a whole of the area served thereby benefited in varying degrees. The only restriction necessary in such cases was naturally in respect of the type of vehicle used i.e., the laden weight should not reach a point at which undue wear and tear of the roads travelled over would be caused.

Deeper consideration of these points was, however, necessary in those cases where an alternative form of transport existed, and in this respect it was pointed out that as far as the province was concerned the bulk of long-distance goods traffic carried at the moment by road could be carried by rail and was in fact so carried up to a very few years ago. The reason for the change was probably largely to be found in the tariff of rates charged by railway administrations for the transport of different commodities. Under what is known as their rating system different rates were charged for the carriage of different commodities. Some commodities were carried at extremely low rates and others at rates which appeared high in comparison. Their charges for low rates commodities were below the point at which

road transport could hope to compete, but on the other hand there was no doubt that road transport could and did carry the higher rated commodities for less than the charges quoted by the railways.

Government were of opinion that in considering the diversion of a very appreciable amount of goods traffic in this manner from rail to road it was necessary to take full stock of the first two of the points enumerated in section 43(1) of the Act, viz., was it advantageous to the public, trade and industry, and was it necessary that road and rail transport should be co-ordinated.

It could be argued and there was much force in the argument that everybody should be at liberty to utilise the cheapest form of transport available for conveying his goods from place to place. Opponents of this theory, however, alleged that railways were a national necessity and must be maintained in order to provide a means of transport for those commodities which were not readily marketable unless the cost of conveyance to marketing centres was comparatively slight. Coal, grains and the like were for example carried by rail at rates far below what road transport could ever quote. The railways felt therefore that if there was no restriction on road transport skimming the cream of railway earnings, i.e., taking all the higher rated goods, then the railways in order to balance their budget must perforce increase their charges for the lower rated goods and this would have a very serious effect on the trade of the country as a whole. They further pointed out that any deficit in the railway budget must adversely affect provincial revenues since contributions from Central revenues to provincial must necessarily be less on account of the liability incumbent on central revenues to make up the railway budget deficiency. Within reason, therefore, they maintained that road transport should be encouraged as ancilliary and not competitive to rail.

If these assertions were correct, then it appeared that a case had in some measure been made out for some restriction on the carriage of goods by road and thereby restoring

railway revenues to a satisfactory position. This, Government stated, should not be taken to imply that road transport should be eliminated altogether in favour of the railways. There were undoubted advantages in transport from door to door and the avoidance of double loading and unloading, both where distances were not excessive and/or where the goods concerned were of a perishable or fragile nature. In short distance transport the time factor also was of greater relative importance, decreasing as distances increased. Other instances where road transport might reasonably be permitted over long distances between two places were those where road communication was direct and rail communication unduly indirect.

Apart from what was stated above there was the question of preventing further deterioration of the road system of the province, and it had been urged that as the deterioration of roads in recent times had been to an appreciable extent due to the use of the roads by heavy motor vehicles, it would not be unreasonable that the latter should bear to a larger extent than at present the cost of maintaining these roads in good order.

Government therefore requested the views of the Chamber on the points raised, and in particular on the following :—

(*a*) Should long distance carriage of goods be prohibited or restricted, and in particular from places outside the Province to Bombay City ?

(*b*) If it was to be prohibited, what would be a reasonable radius from its base over which a goods vehicle might be permitted to operate ?

(*c*) In what cases could any restriction as to a reasonable radius of operation be relaxed and for what reasons ?

Finally, Government referred to the power of the Provincial Government to fix rates for the carriage of goods by public carriers in order to prevent uneconomic competition, and to the recent affrays between Sikh and Pathan lorry drivers on the Bombay-Agra road believed to be due to one party undercutting the other. Government enquired

whether it was the view of the Chamber that maximum and minimum rates of freight should be fixed and enforced, and, if so, what should be the reasonable rates per ton per mile.

In replying to the Government of Bombay the Committee stated that they found it quite impossible to arrive at an equitable judgment in regard to the conflicting interests of road and rail in all their implications without an all-India assessment of the respective values of road and rail transport, and before proceeding further they considered that such an assessment should be undertaken.

Despite the provisions of the Motor Vehicles Act, the matter was in fact an all-India question. The Committee were, however, of the opinion that within the limits of provincial interests there should be no restriction on the long distance carriage of goods by road, except in so far as the requirements of safety warranted. This disposed of Government's first question and the other two did not arise.

BOMBAY MOTOR VEHICLES RULES.

In March 1940 the Government of Bombay asked for the views of the Chamber on a Notification issued on the 29th February publishing the draft of certain rules which it was proposed to issue under the Motor Vehicles Act, 1939 (IV of 1939).

After referring the draft rules to a Special Sub-Committee the Committee informed the Government of Bombay that they had had an opportunity of comparing the draft Rules with the Model Motor Vehicles Rules approved by the Transport Advisory Council and they found that in some cases the Bombay Government Rules had deviated from the Model Rules in certain material respects and referred to these deviations in their comments on the draft Rules.

Rule 6 (*c*) laid down that a fee of Rs. 2 for each test would be payable by an applicant for a test of competence to drive and should be paid before the test was commenced.

The Committee were of opinion that as the test of competence to drive was made in order that the prospective driver might obtain a licence to drive for which he had to pay a fee, no fee should be charged for the first test. If, however, the prospective driver failed in his first test and it was necessary for him to have a second or subsequent test then a fee might be levied for such second or subsequent test or tests.

Rule 12 (*c*).—This Rule laid down a fee of Rs. 5 for a duplicate of a licence to replace a defaced or torn one. The Model Rules laid down a fee of Rs. 3 only for such duplicate licence and the Committee considered this amount was quite adequate.

Rule 14 (*a*).—The Committee were of opinion that it should be obligatory on the part of the Police Officer or Court who took temporary possession of a licence for any purpose, to give the holder of the licence a receipt for the licence and a temporary authorisation to drive under sub-section (3) of Section 129 of the Act. The words 'shall furnish the holder' should therefore be substituted for the words, 'shall, on demand by the holder, furnish him' in the ninth line of Rule 14(*a*).

Rule 15 (*a*) (*iii*).—The rule fixed the height and width of the letter "L" but did not fix the thickness of the letter. The Committee suggested that the letter should be $\frac{3}{4}$" thick.

Rule 20.—The Committee presumed that if schools of motoring were to be controlled, it was intended to accept certificates from such schools at some later date as was envisaged by section 21 (2) (*i*) of the Act. They thought the intention should be stated.

Rule 32.—*Temporary Registration.*—In the model Rule (39) (*a*) it was laid down that certain associations, firms and persons to be specified, would be authorised to issue temporary certificates of registration under section 25 of the Act. This was not provided for in the draft Rules, and the Committee strongly recommended that a new

sub-rule (*a*) be inserted before the present sub-rule (*a*) reading as follows :

(*a*) Subject to the provisions of section 25 of the Act and of this Rule, the Associations and firms specified in Schedule are hereby authorised to issue temporary certificates of registration under that section.

Sub-rules (*a*), (*b*), (*c*) and (*d*) should then be re-numbered (*b*), (*c*), (*d*) and (*e*).

Rule 34.—At the time when the Bombay Motor Vehicles Tax Act of 1935 (XXXIV of 1935) was under consideration, it was understood that the fees that would be levied for registration, driving licences, etc., would only be sufficient for the purposes of meeting the actual expenditure involved in the administration of the Act or in other words, that they would not be in the nature of a tax. The rates prescribed under Section 23 of that Act were consequently laid down as maxima.

The Committee considered that the fees proposed under Rule 34 were exceedingly heavy and further they could not understand how there could be two separate sets of registration and other fees—one as laid down in section 23 of the Bombay Motor Vehicles Tax Act of 1935 and another as laid down in the Rules under the Motor Vehicles Act IV of 1939. They were of opinion that whatever the legal position might be, the maximum laid down in the Bombay Motor Vehicles Tax Act should be the maximum levied under the Rules now under consideration. The work involved in registering a heavy transport vehicle was no more than that involved in registering any other motor vehicle and the fee for registration of all motor vehicles should, as at the moment, be the same. (*Note.*—Section 23 of Act XXXIV of 1935 was deleted subsequently by section 14 of Act III of 1940.)

Rule 43 (*j*) (*iii*).—This rule was not at all clear. In the first place it did not state by whom the duplicate copy of the entry made in the register must be retained. The Committee enquired whether it was intended that it should

be retained by the driver ? If not, there seemed no object in compelling the dealer to retain it as a copy would already be in his possession in the register that he had to keep under sub-rule (*j*) (*i*) of this Rule.

Rule 43 (*l*).—It was recommended that the list of second-hand cars held in stock by the holder of a trade certificate should be submitted to the registering authority once every quarter instead of once every half year as provided for in the rules.

Rules 46 and 47.—The Committee considered it most important that provision should be made in these rules for fees and travelling expenses to be paid to provincial and regional transport authorities unless such provision was proposed to be made in Departmental Rules or the like. This was envisaged under Rule 60 (*i*) and 60 (1) (*i*) of the Model Motor Vehicles Rules.

Rule 58.—The Committee were of opinion that no fee should be charged for Part B either of the original permit or of the renewal. Model Rule 72 did not suggest any such additional fee for Part B.

Rule 59.—It was considered that this Rule should be deleted. Since other rules under Chapter V already safeguarded adequately the convenience, comfort and safety of passengers, there seemed no reason why, if an improved type of chassis or body was capable of seating more than 25 passengers while still conforming to the other regulations, it should not be allowed to do so. Power might be given to limit the seating capacity locally where conditions so required.

Rule 75.—As the Chairman of the Provincial Transport Authority was the Adviser to the Governor in the Revenue Department, this rule would in effect mean that there would be no appeal. The Committee considered that appeals against the order of the Provincial Transport Authority should be preferred to a Judicial Officer not below the rank of a District or Sessions Judge.

Rule 76 (*b*) (*ii*).—The Committee considered that a smaller deposit than Rs. 25 should be levied. Deposits for appeals should be proportionate to the number of vehicles to which the appeal related and they recommended a fee of Rs. 5 per vehicle.

Rule 118.—It did not seem necessary to have speedometers fitted to stage carriages in the City of Bombay as these carriages had their engines governed to the maximum speed laid down. The Committee recommended therefore that a proviso be added to Rule 118 reading as follows :—

Proviso—This rule does not apply to stage carriages plying in the City of Bombay.

Rule 120.—The Committee considered that the maximum back lash on the steering wheel being limited to 20 degrees was unreasonable. The Model Rules suggested 45 degrees. They were of opinion that a limit of 30 degrees should be the minimum but would prefer 45 degrees as suggested in the Model Rules.

Rule 149.—The Committee did not understand why it had been found necessary to lay down that the outlet of the exhaust pipe should be placed only on the right hand side of the vehicle, and considered that the words " on the right hand side of the vehicle " should be deleted from this rule.

Rule 153 (*a*).—The Committee were opposed to the compulsory covering of the floor boards of the public service vehicles with mats and considered that it should be sufficient for the boards to be strong and closely fitted so as to exclude as far as possible draughts and dust. They therefore recommended that the words " and shall be covered with mats of rubber, coir or other suitable materials" should be deleted.

Rule 167 (3).—This rule appeared to be contradictory to the proviso to Rule 106 (*d*) and the Committee recommended therefore that it should be omitted.

Rule 168.—In view of the speed limits laid down in the Act being so low, the setting of governors at those limits might render it impossible for the vehicles to climb gradients on ghats or in hilly districts. The Committee considered therefore that a new sub-rule (*c*) should be added to this rule reading somewhat as follows :—

(*c*) For vehicles operating on ghats or in hilly districts the speed governors should be so set, in excess of the maximum lawful speed, as to enable such vehicles to develop sufficient power to operate in such districts.

The Rules were brought into force on the 1st April 1940. Only a very few of the amendments suggested by the Chamber were accepted by Government.

In the *Bombay Government Gazette* of the 26th September 1940, Part IV, the Government of Bombay published a draft of certain amendments which it was proposed to make in the Bombay Motor Vehicles Rules, 1940.

In commenting on the draft amendments, the Committee informed the Government of Bombay that they were opposed to the amendment to Rule 27 proposed in paragraph 4 of the Notification. This amendment sought to confer a wide and arbitrary power upon Regional Transport Authorities to assign, at their discretion, a gross laden weight lower than the maximum permissible to transport vehicles. The Committee felt that there was a possibility of this power being misused and unduly low gross weight limits being assigned.

Further, the Committee were also very strongly opposed to the amendment to Rule 58 proposed in paragraph 7 of the Notification. In the original Rule, a fee of Rs. 10 only was proposed to be levied for the issue of a permit, without any extra charge for Part B. The amendment sought to impose an additional fee of Rs. 5 for each copy of Part B of the permit. The Transport Advisory Council specifically

deleted a provision to charge extra fees for Part B of the permit from the Model Rules which they recommended to Provincial Governments, and it was difficult to see why the Government of Bombay did not accept their recommendation. The Committee added that in any case, the fee of Rs. 5 proposed to be levied for each copy of Part B appeared to be an exorbitant charge for the nominal amount of clerical labour involved.

The Secretary of the Provincial Transport Authority subsequently invited the Chamber to nominate a representative to attend a conference for the purpose of discussing the proposed amendment. The Committee nominated Mr. O. A. Oakley and were later informed by the Secretary of the Provincial Transport Authority that he had endeavoured to make it clear to the conference that the proposal was not in any way intended to diminish beyond reason the carrying capacity of any goods vehicle but only to ensure that no owner should render himself liable to prosecution for an overload (rear) axle even though the total laden weight of the whole vehicle might be less than that certified.

He added that he had also explained that the allotment of any registered laden weight would not be a haphazard measure but would be calculated in accordance with a formula, which was as follows for the ordinary two axled vehicle.

"Where AC is the wheelbase and BC is the distance from the centre of the pay load to the centre of the front axle, then the registered laden weight of the vehicle shall equal the unladen weight of the vehicle plus $\frac{AC}{BC}$ × (tyre capacity—unladen weight rear axle)."

The Committee informed the Secretary of the Provincial Transport Authority that they were not in favour of the proposed amendment to Rule 27 and expressed a hope that the Authority would give due consideration to their views in this matter.

TRAFFIC FACILITIES IN BOMBAY.

(*See Report* 1937, *page* 118.)

In December 1940 the Committee drew the attention of the Government of Bombay to the traffic problem in Bombay which was becoming rapidly more complex owing to the growth of population and the number of cars on the roads and was resulting in a marked increase in the number of accidents.

The Committee suggested that there was a definite need for improved traffic control necessitating the provision of a number of additional traffic facilities falling under the following heads :—

Pedestrian Traffic.

(1) Pedestrian refuges.
(2) Pedestrian crossing lines.
(3) Pedestrian guard rails.
(4) Belisha Beacons.
(5) Foot overbridges or subways.

Vehicular Traffic.

(1) Centre lines or central verge on wide roads.
(2) Directional lines for traffic lanes especially at junctions.
(3) Traffic islands including umbrellas, etc.
(4) Signs : (*a*) Prohibitory, (*b*) Directional.
(5) Car Parks.

It was understood that the expenditure likely to be incurred in this connection would amount to approximately Rs. 1 lakh and the Committee requested Government to examine the possibility of setting aside this amount from the surplus funds available from the annual tax collection under the Motor Vehicles Tax Rules for this purpose.

In reply the Government of Bombay stated that it was intended to provide a sum of Rs. 25,000 during the coming year out of the Provincial Road Fund created out

of the surplus of the tax collected under the Bombay Motor Vehicles Tax Act, 1935, for the most pressing of the traffic control requirements of Bombay City. It was added that expenditure from this Fund was at the moment being concentrated on completing the Provincial trunk roads.

SHOPS AND ESTABLISHMENTS.

Proposed Compulsory Weekly Holidays.

In July 1940 the Government of India submitted to local Governments a draft of an enabling Bill which it was proposed to pass for the purpose of granting weekly holidays to persons employed in shops, commercial establishments, restaurants and theatres, leaving it to the Provincial Governments to apply it to any area they liked within their jurisdiction by notification.

In addressing the Associated Chambers of Commerce of India in connection with this and similar draft Bills the Madras Chamber suggested that the Association should protest against the procedure which had been followed in respect of the proposed legislation in sending out what should be preliminary proposals in the form of draft Bills. In the opinion of the Madras Chamber, if the Government of India wished to undertake legislation on matters of this kind, their draft proposals should be sent for public criticism in the form of a statement of principles and not in the form of detailed draft legislation. The Madras Chamber also requested that representations might be made to the Government of India in connection with a representative conference of employers and employees which it was proposed to hold towards the end of the year in order to discuss the draft Bills and the opinions which might have been received on them, after which legislation was to be drafted for introduction in the Central Legislature next year. The Madras Chamber considered that such a conference was premature and in any case it would be difficult to make it really representative without making it thoroughly unwieldy and cumbersome.

The President of the Associated Chambers in replying to the Madras Chamber stated that in his view the opportunity to be given to employers and employees of expressing their views before legislation was finally drafted, should not be rejected, even if it only afforded employing interests the further chance of urging the Government of India to slow up the rate of labour legislation or to defer all but essential measures until after the war. He added that to urge indefinite postponement of all progressive labour legislation was again merely to invite independent and widely divergent legislation on the part of the provinces.

Copies of the correspondence between the Madras Chamber and the Associated Chambers was forwarded to this Chamber by the latter for comment.

In replying to the Associated Chambers the Committee mentioned in the first place that the draft Bill in question had not, up to the time of writing, been referred to this Chamber for opinion by the Government of Bombay, but the Committee had received a copy of the Bill through the courtesy of the Employers' Association of Northern India. The Committee stated that they were generally in agreement with the views expressed by the President of the Association as recorded in his letter to the Madras Chamber. In principle the Committee were of opinion that social legislation should as far as possible be enacted at the centre in order that industry in all the provinces would be on an equal footing. Even in cases where legislation had already been enacted in certain of the provinces and not in others before the introduction of central legislation, it would always be possible to bring the provincial legislation already in force into line with the requirements of the central legislation. It would, of course, be better for central legislation to be introduced before any of the provinces took individual action. However, this opportunity no longer presented itself, but the Committee considered that the Associated Chambers should not do anything which would tend to discourage the starting

of central co-ordinating legislation and thus leave it open to still more provinces to take independent action.

As stated above the Committee had not been requested by the local Government for their views on the draft Bill, but they examined the Bill in consultation with the Labour Sub-Committee of this Chamber and they submitted their comments as under :—

Clause 3 (1).—The Committee considered that the weekly holiday should be on a Sunday or on a day in lieu of Sunday to be fixed by the employer and not by the Provincial Government.

Clause 3 (2).—This clause provided for the Provincial Government fixing different days to suit different classes of employers. As stated under sub-clause (1) the Committee considered that the employer should fix his own day.

Clause 5.—The Bombay Act which came into force on the 15th November 1940, had limited the total number of hours which might be worked, and it also fixed a weekly holiday. In the circumstances the projected enforcement of an additional half day's holiday would seem to be unnecessary. Further, it would appear to be useless to enforce a half holiday from 1 p.m. when the number of working hours were not fixed. An employee could for instance start work at 5 a.m. on Saturdays and close at 1 p.m. and thus evade the Act.

Clause 12.—If Government desired to introduce what they presumably claimed to be good social legislation, it was not understood why such legislation should not be made to apply to their own employees.

BOMBAY SHOPS AND ESTABLISHMENTS ACT.

(*See Reports* 1938, *page* 148 ; 1939, *page* 178.)

The Bombay Shops and Establishments Act to which a reference was made in the Report for 1939, was brought into force on the 15th November 1940. In the meantime

the Government of Bombay published a draft of the Rules that it was proposed to issue in exercise of the powers conferred by section 33 of the Act.

It was recorded in the report for 1939 that when the draft of the Shops Bill was originally circulated for opinion the Committee expressed the view that commercial establishments should be excluded from the scope of the Bill because they believed they were correct in saying that in all commercial establishments controlled by the members of this Chamber the conditions of service were ordinarily well within the provisions of the Bill and always well within the ideals which the Bill was intended to promote. In supporting certain recommendations of the Millowners' Association to the Government of Bombay, Political and Services Department, on the draft rules, the Committee, therefore, particularly emphasised the view that the enforcement of the Act, so far at any rate as commercial establishments were concerned, should be postponed until the termination of the present war and normal working conditions were restored. The rules were, however, brought into force on the same date as the Act, i.e., 15th November 1940.

During November 1940 certain members of the Chamber expressed their doubts as to whether or not it was the intention of Government that clerical staffs of mills and factories working at the mill or factory were to be included within the scope of the Bombay Shops and Establishments Act. It was pointed out that mills and factories in the ordinary course worked for 9 hours a day, whilst if the Bombay Shops and Establishments Act were to apply to clerical staffs, the individuals in question would be excluded from working for more than 8 hours and that this would result in a considerable shrinkage in the daily output of the factories or mills concerned. The clerical departments of mills and factories usually included time-keeping staff, godown clerks, stores issue clerks, weighment clerks, production recording clerks, etc.

The Committee took the view that sections 4 (*b*) and (*c*) had been intentionally included in the Act in order to exclude the individual employees referred to above, who were all either engaged in complementary work, thus falling under section 4 (*c*), or in the case of time-keepers, intermittent work, falling under section 4 (*b*).

In addressing the Government of Bombay in the matter the Committee stated that they would be glad to receive the assurance of Government that their presumption was correct. In the event of their presumption proving incorrect the Committee recommended that under section 4 (*k*) a notification should be issued by Government exempting the clerical staffs not only of mills but also of factories from the operation of the Act.

In replying to a representation made by the Bombay Millowners' Association on this question the Government of Bombay stated that in their opinion the Bombay Shops and Establishments Act, 1939, applied specifically to a clerical department of a factory and that the difficulties pointed out now should have been put forward when the Bill was being considered by the Select Committee and in the legislature. Government stated that they were not prepared to grant total exemption from the operation of the Act in respect of the clerical staff of the Mills and observed that they would be willing to consider the case for exemption in respect of particular classes of clerical employees of the mills. They accordingly requested that Government might be furnished with a list of clearly defined classes of clerical employees in respect of whom exemption was considered essential. Government pointed out that any exemption now accepted by Government would be of a temporary nature until the mills had sufficient opportunity to study the implications of the Act and make the necessary adjustment. The difficulty regarding the grant of weekly holidays to clerks employed in the mills was appreciated by Government. This difficulty could be overcome by the provision of four holidays in a month as was originally

contemplated instead of one holiday every week. This point would be considered by Government when the Act was next being amended. In the meantime Government expressed the hope that the mills would, pending further examination of the position, do the best they could in the circumstances. Clearly Government would have to consider the difficulty created by differences as regards holidays under the Factories Act and the Shops and Establishments Act and might have temporarily to make some allowance for this difficulty.

A copy of the above letter was forwarded by Government to the Chamber and the Committee were also favoured with a copy of the reply of the Bombay Millowners' Association with which was submitted a list of clerks for whom they desired exemption from the provisions of the Act. The Committee supported the proposal of the Bombay Millowners' Association and forwarded to Government a list of clerical employees engaged in Factories who, in their opinion, should be exempted from all the provisions of the Act.

WAR INJURIES TO EMPLOYEES.

Liability of Employers.

In March 1940, the Bombay Accident Insurance Association addressed the Chamber on the question of liability of employers in India under the Workmen's Compensation Act or at Common Law arising from war injury to employees.

In the United Kingdom the position had been met by the Personal Injuries (Emergency Provisions) Act, 1939. Under that Act, in respect of 'war injury' sustained by a 'gainfully occupied' person and in respect of 'war service injury' sustained by a Civil Defence volunteer, no such compensation or damages would be payable, whether to the person injured or to any other person, as

(*a*) would have been payable under the Workmen's Compensation and Employers' Acts, or

(*b*) would have been payable by any other Statute or by Contract or at Common Law

(*i*) in the case of war injury by any person, or

(*ii*) in the case of a war service injury sustained by a Civil Defence volunteer, by any person who had any responsibility in connection with his duties as a volunteer

on the ground that the injury was attributable to negligence or breach of duty for which the person by whom damages would have been payable was responsible.

In lieu of the compensation or damages which the above persons might have been able to recover, they would receive compensation from the State.

'War Injury' meant physical injury caused by the doing of any injurious act either by the enemy or in repelling an imagined attack by the enemy or caused by enemy aircraft or aircraft of His Majesty or of any allied power.

'War Service Injury' meant any physical injury certified by the proper authorities to have arisen out of or in the course of, the performance by the volunteer of his duties as a member of the Civil Defence Organisation to which he belonged, and not having arisen out of his employment in any other capacity.

'Civil Defence Volunteer' meant a person certified by a Civil Defence Organisation to have been a member of the Organisation at the time when the injury was sustained; and it seemed that the fact that the volunteer was paid would not prevent his being treated as a 'volunteer.'

The position in India would, at the moment, appear as obscure in that it was not clear what injuries as a result of war would come under the Workmen's Compensation Act and what injuries would not. Apparently, in the case of all injuries received directly in the course of a workman's

employment, liability would rest with the employers only provided special exposure could be proved, whereas in the case of injuries received indirectly it would appear that the liability always rested with the employers. As, at the moment, a large number of employers did not insure against workmen's compensation, it appeared to the Committee that it would be to the advantage of all concerned if legislation similar to the Personal Injuries (Emergency Provisions) Act, 1939, were also introduced in India.

The Committee accordingly addressed the Associated Chambers of Commerce of India and suggested that, after obtaining the views of constituent Chambers, representations might be made to the Government of India.

Information was subsequently received from the Associated Chambers that the Bengal Chamber had already made representations on this question to the Government of India, who did not consider that in the existing circumstances in India any emergency legislation on the lines of the United Kingdom Act was necessary.

In the meantime the Associated Chambers did not propose to take any further action.

At a meeting of the Bombay Millowners' Association held in July 1940 with the Commerce Member of the Government of India, the Association made forcible verbal representations in this matter pointing out that when the Indian Act was framed it was never intended that employers should be exposed to the liability of paying compensation as a result of enemy action, and an undertaking was given that further consideration would be given to the matter.

In addressing the Associated Chambers of Commerce of India on the subject, the Committee stated that they felt that consequent on the changed circumstances since the original suggestion was made and the possible hazard of enemy action in India, an early representation to Government by the Association might prove beneficial.

The Chamber was subsequently informed that the Associated Chambers had addressed the Government of India strongly urging that the matter should be given early attention and in particular the necessity for the exclusion from the scope of the Indian Workmen's Compensation Act of any liability which might rest upon employers in respect of injury to their employees caused by enemy action.

A statement appeared in the Press on the 26th September 1940 to the effect that the Government of India had decided to bring forward an emergency legislation on the subject, but as no further action appeared to have been taken by Government and as no Bill was introduced during the Autumn session of the Legislative Assembly, the Committee suggested to the Associated Chambers of Commerce of India that the following resolution should be included in the Agenda of the annual general meeting of the Association to be held in December 1940 :—

"This Association urges upon the Government of India the advisability of enacting without delay legislation with a view to (*i*) relieving employers of their liability to pay compensation under the Workmen's Compensation Act in respect of injuries that may be caused to operatives by the acts of an enemy or acts done in repelling an enemy, and (*ii*) providing for the payment by the State of compensation to such operatives.

PAYMENT OF WAGES ACT.

Incorporation in Wages of Bonuses for Good Attendance.

(*See Reports* 1938, *page* 143 ; 1939, *page* 185.)

It was recorded in the Chamber's report for 1939 that an appeal was being preferred to the Bombay High Court against the decision of the Assistant Judge, Ahmedabad, confirming the order of the City Magistrate, Ahmedabad, that a " regular attendance " and " quantity or efficiency " bonus formed part of the wages payable to employees and that the non-payment of such bonuses amounted to an illegal deduction under the Payment of Wages Act. The Appeal Court held that the word " wages "

in section 2 (*vi*) of the Act had to be read subject to anything repugnant in the context and that section 7 of the Act which dealt with payment could not possibly apply to wages which had not been earned. It was held therefore that the bonus in the present case not having been earned by fulfilment of the conditions by the workers in question was not within the term " wages " in the Act and the employers were right in not paying any part of it at all. The revision application was granted with costs throughout.

BOMBAY INDUSTRIAL DISPUTES RULES, 1939. —RULE 34.

(*See Reports* 1938, *page* 137 ; 1939, *page* 180.)

It was recorded in the Report for 1939 that the Chamber had asked the Government of Bombay for an assurance that the principle of asking only the Bombay Chamber of Commerce, the Millowners' Association, Bombay, the Indian Merchants' Chamber, and the Employers' Federation to submit names for the panel of employers for appointment on a Board of Conciliation, should be continued and that any extra members which Government desired to add to the employers' panel should be members of these four Associations in equal numbers.

The Government of Bombay pointed out, that consultations regarding nominations to the employers' panel were not restricted to the four associations in question as under Rule 34 Government had to invite associations of employers all over the Province to make recommendations for the purpose. Morever, the scope of the consultation could not always be restricted to the four bodies mentioned as, if in course of time new associations of employers came into existence, Government would be bound to consult them as well. In view of this Government were unable to give the assurance desired by the Chamber.

PROVINCIAL LABOUR LEGISLATION.

At the annual general meeting of the Associated Chambers of Commerce of India held at Calcutta on the 18th December 1939 the following two resolutions were adopted unanimously :—

Provincial Labour Legislation.

"This Association re-affirms the resolution adopted at the last annual meeting urging the establishment of some machinery of co-ordination to secure uniformity in Provincial Labour Legislation.

This Association draws attention particularly to the disparity now existing in the rules framed by Provincial Governments under the Factories Act, prescribing safety measures to be adopted by factories against outbreaks of fire as a sphere where co-ordination is immediately desirable."

Co-ordination and co-operation between the Central and Provincial Legislative and Taxing Authorities.

"This Association invites the attention of the Government of India to the growing conflict between the Central and the Provincial Governments in the spheres of legislation and taxation, and emphasises the importance of co-ordination and co-operation between the various legislative and taxing authorities, and requests the Government of India to move His Majesty's Government to take such steps as may be necessary to amend the Government of India Act, 1935, so that the taxation fields open (1) to the Centre and (2) to the Provincial Governments shall, in the light of recent experience, be laid down with greater precision."

The Associated Chambers brought the terms of these two resolutions to the notice of the Central and Provincial Governments together with particulars of the discussion which preceded their adoption.

In March 1940 the Associated Chambers reported that beyond acknowledgments, no replies had been received from the Governments with the exception of the Bombay Government. The latter stated that the subject-matter of the resolutions was the concern of the Government of India and that they would receive full consideration of the Government of Bombay when addressed by the Government

of India. With regard to the Provincial Rules for fire protection appliances, the Government of Bombay stated that so far as the Province of Bombay was concerned, Rules 37—40 under the Factories Act provided precautions against fire and for means of escape in case of fire. Attention was also invited to the Hazardous Occupations (Petrol gas generating plants) Rules 1939, and Hazardous Occupations (Rubber) Rules, 1939, published by Government in the Political and Services Department Notifications Nos. 1220/34, dated the 22nd August 1939, and 1539/34, dated the 31st October 1935, respectively, which prescribed protective provisions and regulated employment of women, children and adolescents in factories which (1) generated petrol gas from petrol and (2) dealt with the solution of rubber and the processes connected therewith. These rules were framed under section 33 (4) of the Act and dealt with specific risks.

DEAR FOOD ALLOWANCE TO STAFFS.

(*See Report* 1939, *page* 48.)

In the Chamber's Report for 1939 it was recorded that in accordance with the majority opinion the Committee recommended that consideration of increasing the wages of clerical staffs should be delayed for the time being. It was suggested that it would be advisable to wait until it became evident whether or not the abrupt rise in the index figure of the cost of living was likely to be permanent and also to what extent this rise would be influenced by the steps being taken by the Consultative Committee for Price Control appointed by the Government of Bombay and the opening of cheap grain shops by the Municipality.

Subsequently the index figure for the cost of living supplied by the Commissioner of Labour fell from 114 to 110.

The Committee were given to understand that certain firms had introduced a dearness allowance for their labour and menial staffs and in some few cases this allowance had

been extended also to clerical staffs. In view, however, of the varying conditions of employment amongst member firms and also of the contrasting opinions held on this matter, the Committee felt that the question was one that could best be decided by individual firms concerned. They therefore refrained from making any further recommendations and informed members accordingly.

COMPULSORY SICKNESS INSURANCE.

(*See Report* 1937, *pages* 193 *and* 354.)

The question of sickness insurance for workmen was placed by the Government of India for discussion before the first conference of Labour Ministers which was held in January 1940. The conference realised that the problem was not so much the lack of medical facilities but one enabling the worker to maintain himself and his dependents during periods when he was unable to work and earn a living because of sickness. The conference came to the conclusion that for this purpose sickness benefit funds would be appropriate and that further action for setting up such funds might be considered after it had been ascertained how far employers and workmen were willing to contribute compulsorily to such funds. It was added that contributions from the employees who would be benefited by such schemes and from the employers who had a responsibility in the matter of welfare of their workmen were a necessary prerequisite to the formulation of any scheme of sickness benefit. In May 1940 the Government of India circularised Provincial Governments in the matter with a view to their consulting important associations of employers and workers in the province on the question whether they were willing to accept the principle of compulsory contribution to sickness insurance funds. The Commissioner of Labour, Bombay, enquired whether this Chamber was willing to accept the principle of compulsory contribution to sickness insurance funds and if so whether the Chamber had any suggestions to make in the matter.

In reply the Committee referred the Commissioner of Labour to the Chamber's letter of the 29th November 1937 (see page 357 of the Annual Report for 1937) wherein their views on this question were set out in detail. The Committee stated that their opinions on the problem had not altered, but they again emphasised their recommendation that legislative measures of this character must be applied throughout the whole of India as it was a matter of the greatest importance and in fact of elementary justice that industries established in British India should not be subjected to the extra cost of any social ameliorative measures, whilst their competitors in Indian States were left free of the pecuniary burden entailed.

As previously stated the Committee considered that any scheme of sickness insurance should be arranged on a contributory basis by the State, employers and employees. They felt, however, that at the present time, owing to the world situation, since Indian industries were contending with grave difficulties, it was most inadvisable to consider any proposals which would impose a financial burden on industry for the time being.

Finally, they were of the view that when considering the question of sickness insurance, the matter of holidays with pay and other questions of like nature should be reviewed together, so that the interests concerned might be in a position to assess the total burdens of social legislation which it was sought to impose.

BURSTING OF THE MONSOON.

On the 27th June 1940, the Meteorologist, Bombay, informed the Chamber that the south-west monsoon burst over Malabar on the 14th June and over Bombay Town on the 17th June 1940.

WEATHER WORKING DAYS.

The following days during the monsoon months of 1940 were declared to be half or non-weather working days for vessels in the docks :—

Monday, 17th June 1940, Non-weather working day.
Tuesday, 25th June 1940, Half-weather working day.
Wednesday, 26th June 1940, Non-weather working day.
Thursday, 27th June 1940, Non-weather working day.
Wednesday, 17th July 1940, Half-weather working day.
Thursday, 18th July 1940, Non-weather working day.
Saturday, 27th July 1940, Half-weather working day.
Tuesday, 13th August 1940, Non-weather working day.
Monday, 13th August 1940, Non-weather working day.
Tuesday, 20th August 1940, Non-weather working day.
Wednesday, 21st August 1940, Half-weather working day.
Thursday, 19th September 1940, Non-weather working day.
Wednesday, 16th October 1940, Non-weather working day.

The Deputy Conservator of the Port, in consultation with a representative of the Chamber, decided that the following days were half or non-weather working days for vessels working in the stream :—

Monday, 17th June 1940, Non-weather working day.
Wednesday, 19th June 1940, Non-weather working day.
Thursday, 20th June 1940, Non-weather working day.
Tuesday, 25th June 1940, Non-weather working day.
Wednesday, 26th June 1940, Non-weather working day.
Thursday, 27th June 1940, Non-weather working day.
Wednesday, 17th July 1940, Half-weather working day.
Thursday, 18th July 1940, Non-weather working day.
Saturday, 27th July 1940, Half-weather working day.
Tuesday, 13th August 1940, Non-weather working day.
Wednesday, 14th August 1940, Half-weather working day.
Monday, 19th August 1940, Non-weather working day.
Tuesday, 20th August 1940, Non-weather working day.
Wednesday, 21st August 1940, Half-weather working day.
Thursday, 19th September 1940, Non-weather working day.
Wednesday, 16th October 1940, Non-weather working day.

COLOURISATION OF VEGETABLE PRODUCT.

(*See Report* 1938, *page* 174.)

In October 1940 the attention of the Chamber was drawn by a member to the *Punjab Government Gazette*, dated the 4th October 1940, in which a draft amendment

appeared purporting to prohibit the sale of artificial ghee (vegetable product) unless it was coloured. In addressing the Government of the Punjab in the matter the Committee drew attention to a letter they had forwarded to that Government in February 1940 wherein they had expressed the view that in order to prevent adulteration the objective sought could better be obtained by making compulsory the marking of all packages in which the vegetable product was sold with a distinctive and uniform label. This was, in fact, the procedure in the Bombay Presidency.

The Committee were assured that the proposal to colour this vegetable product would render the article completely unacceptable to consumers and thus wipe out of existence an industry which provided a food of high nutritional value but which a public with only a limited purchasing power could afford to buy.

The Committee particularly drew Government's attention to the fact that this vegetable product was manufactured from Indian oilseeds and that the indigenous industry absorbed at present over 150,000 tons of groundnuts per annum, and the Committee were fully convinced that the Punjab Government had no desire to interfere with an indigenous industry which was helping materially at the present time to lessen India's dependence on foreign markets for the consumption of her agricultural produce.

They expressed a hope, therefore, that when this amendment came up for consideration, the points brought out in their letter would be borne in mind.

SHIPMENTS OF GLASS.

Interpretation of Term "Duly Insured."

In July 1940 an enquiry was received from a member as to whether the term "duly insured" in a contract for the supply of a large glass mirror would include insurance against breakage. The member also enquired whether (1) they could consider themselves free from liability from

payment of the Bill drawn by exporters and (2) whether they could claim from them re-imbursement of Customs duty and survey certificate fee paid by the member and if so, how they could enforce their claim.

The Committee informed the member (1) that in view of the fact that the contract was f.o.b. and the dispute was over damages during transit, the member could not, in the Committee's view, consider themselves free from liability for payment of the bill drawn by the exporters: (2) that unless there was an understanding to undertake additional services to effect delivery in sound condition at final destination no claim could be made for reimbursement of customs duty and survey certificates. No such instructions appeared to have been given by the member and their claim for reimbursement of duty would therefore, in the Committee's opinion, be unjustified.

In conclusion, the Committee stated that it was not the usual custom to insure against breakage. When breakage was to be covered, it was clearly stated separately in the indent or contract.

WAR RISK INSURANCE.

Value of Goods for Insurance Purposes.

In April 1940 an enquiry was received from a member as to whether there was a custom of the trade under which consignments were insured against war risk for ten per cent. above the actual c.i.f. value of the goods in order to cover the various charges involved in making the claim, and if so, whether the cost of the extra premiums might legitimately be passed on from shipper to purchaser in such circumstances with particular reference to contracts made with the Indian Stores Department.

In reply the Committee informed the member that there was general agreement that there was an accepted trade practice of insuring for an amount in excess of the c.i.f. price. There was however no definite agreed percentage,

though possibly 10 per cent. was more general than any other figure. In the case to which the member referred the Indian Stores Department themselves had accepted war risk and in so far as the cost of the war risk insurance was on account of the Indian Stores Department it must be effected only in accordance with their instructions and the Indian Stores Department had the right to determine the amount for which war risk insurance was to be taken out. The seller's only concern was that the buyer should be in a position to pay for the c.i.f. value of the goods if they should be destroyed.

"SEASONAL GOODS."

Application of Term.

The Bombay Millowners' Association's contract differentiates between what were termed "seasonal" and "non-seasonal" goods and in August 1940 the Association enquired whether certain "Fancies" which went into consumption every year for a full nine months, but which moved in very small quantities in the tenth month and which were not delivered at all in the remaining two months of the year, could be termed "seasonal" goods.

After consulting the Import Sub-Committee the Committee informed the Bombay Millowners' Association that in their opinion textile goods which moved for ten out of the twelve months could not properly be described as "seasonal" goods.

"OILMAN STORES."

Definition of Term.

In replying to an enquiry from a member the Committee stated that they were not aware of any precise definition of the term "Oilman Stores" but by custom in this country it would appear to apply to a shop, midway between a grocer and an ironmonger, dealing in groceries, toilet requisites, patent medicines and a wide range of miscellaneous articles. According to the Railway Goods

Tariff "Oilman Stores" included arrowroot flour, oil (mowha) and turpentine. Government bodies, Municipalities, Insurance Companies, etc., would probably each have their own rulings and consequently the Committee were unable to give a comprehensive technical interpretation of the term.

SURVEY OF INVESTIGATIONS OF INDUSTRIAL RESEARCH.

By a Resolution published in the *Gazette of India* on the 27th April 1940, the Government of India notified the setting up with effect from the 1st April 1940 for a period of two years in the first instance, a Board of Scientific and Industrial Research, the functions of which would be to advise the Government as to the lines on which such research should be conducted and the channels into which should be guided in order best to serve the object of ensuring the co-ordinated development of Indian industries, particularly of those the importance and possibilities of which had been prominently brought into the foreground as a result of the conditions created by the War. The Board was constituted as follows :—

Chairman : The Hon'ble Dewan Bahadur Sir A. Ramaswami Mudaliar, Member of the Governor-General's Executive Council in charge of the Departments of Commerce and Labour.

Vice-Chairman : The Chief Controller of Stores, Indian Stores Department (until further orders).

Members : Dr. J. C. Ghosh, Director, Indian Institute of Science, Bangalore; Dr. Nazir Ahmad, O.B.E., Director, Technological Laboratory, Indian Central Cotton Committee, Matunga, Bombay; Dr. Meghnad Saha, Palit Professor of Physics, University of Calcutta, Calcutta; Dr. S. S. Bhatnagar, O.B.E., Director of Scientific and Industrial Research, New Delhi; Sir H. P. Mody, K.B.E., M.L.A. (Central), Bombay; Sir Syed Sultan Ahmad, Patna; Kasturbhai Lalbhai, Esq., Ahmedabad; Lala Shri Ram, New Delhi; P. F. S. Warren, Esq., Director, Messrs. Jessop & Co., Ltd., Calcutta; Dr. Narendra Nath Law, Calcutta.

Secretaries : T. S. Pillay, Esq. (General) Dr. S. Parthasarathy (Technical).

The Chairman had power to co-opt from time to time such scientists or industrialists as he might consider necessary to help in the examination of particular problems which might come before the Board. The Board would meet at such places as the Chairman might direct and it was expected to meet once in two months. The executive staff of the Board would be attached to the Department of Commerce of the Government of India.

The Board would utilise and co-ordinate the work of the organization already employed in this field. It would survey the work that was being done by them, invite proposals from all sources, initiate discussions and make recommendations to the Government of India, who would prescribe from time to time the general lines on which industrial research should be undertaken and pursued. The Board would also report to the Government of India what specific problems should in its opinion be assigned for investigation to the staff directly under the Board on the one hand and to the various scientific and research institutions in the country including University Laboratories on the other.

A sum of Rs. 5 lakhs was provided in the budget estimates for the year 1940-41 in connection with the work of the Board, of which about Rs. 1 lakh would be utilized by the Board on its administrative side and the balance would be available for other purposes of the Board including distribution of grants and subsidies and establishment of research studentships, scholarships and fellowships.

In the above connection the Government of India informed the Chamber that the Board of Scientific and Industrial Research had under preparation a brief survey of investigations which had up to that time been carried out by the Universities or Government or private industrial organisations, which had been either commercially developed and/or could be developed if suitable help was forthcoming. This survey, Government stated, was expected to be helpful

to the Government of India in determining the lines on which industrial research should be conducted and also in providing facilities in suitable cases for the completion of investigations likely to be useful for the promotion of Indian industry. Government asked that the Board of Scientific and Industrial Research might be supplied with any information about any such investigation which might have come within the knowledge of the Chamber.

A circular was accordingly addressed to all members on the subject and copies of the replies received were passed on to the Board.

In July 1940, the Director of Industries informed the Chamber that certain researches, as shown below, had been carried out at the Indian Institute of Science, Bangalore, and were considered by his Department as of practical application to industries :

(1) *Activation and Clarifying Properties of Fuller's Earth.*—This research had a practical application in the following factories :—

Acid factories and vegetable ghee factories.

(2) *Manufacture of Potassium Permanganate.*—This research had a practical application in the process in chemical factories.

(3) *Ethyl Chloride and anti-Malarials.*—This research had a practical application in the process in pharmaceutical works.

(4) *Recovery of Potassium from Molasses.*—This research had a practical application in the process in sugar manufacturing works.

(5) *Electrical Industries.*—This research had a practical application in the process in works manufacturing engines, electrical goods, fans, etc.

Members were duly informed that those interested in these researches could obtain further particulars from the Director, Indian Institute of Science, Bangalore.

EXPORT ADVISORY COUNCIL.

REPRESENTATIVES OF THE ASSOCIATED CHAMBERS OF COMMERCE OF INDIA.

The Commerce Member speaking in the Council of State on the 3rd April 1940, said that the question of creating an Export Advisory Council was under the consideration of the Government of India.

In a notification dated 11th May 1940 it was announced that the functions of the Council would be :—

(*a*) To act as a channel of communication between the Government of India and the exporting interests of the country so as to facilitate the discussion of difficulties arising out of the War and the legislation and regulations consequent thereon ;

(*b*) To make recommendations regarding the best means of expanding the aggregate exports of staple commodities and, in so far as the customary markets for such commodities are partly or wholly closed as a consequence of the War, to suggest the appropriate ways and means for promoting a demand for these commodities in alternative markets ;

(*c*) To make recommendations regarding the methods of expanding the exports of the products of Indian manufacturing industry, and to promote interest among Indian manufacturers in the expansion of their sales overseas ;

(*d*) To make recommendations as to the assistance which can be given by the Government of India to unofficial trade delegations which may be despatched by organised trades or industries to study conditions in overseas markets.

Whilst it would be the function of the Council to make recommendations on the above subjects, it was pointed out that the recommendations must be consistent with any general policies regarding foreign trade and particularly regarding measures of economic warfare laid down from time to time by the Government of India.

The Council was composed as follows :—

(*i*) A Chairman and Vice-Chairman to be nominated by the Government.

(*ii*) Nine members to be appointed as to one each by the following associations particularly concerned with export trades :—(*a*) Grain

Merchants' Association ; (*b*) East India Cotton Association ; (*c*) Bombay Millowners' Association ; (*d*) Karachi Indian Merchants' Association ; (*e*) Southern India Skins and Hides Merchants' Association ; (*f*) Calcutta Baled Jute Association ; (*g*) Calcutta Hides and Skins Shippers' Association ; (*h*) Indian Jute Mills Association ; (*i*) Ahmedabad Millowners' Association.

(*iii*) Four members to be appointed, as to two each, by the Associated Chambers of Commerce of India and by the Federation of Indian Chambers of Commerce and Industry.

(*iv*) Two members to be appointed by the Government of India as representative of the principal international exporting houses.

(*v*) Five members to be nominated by the Government of India as representative of interests not otherwise adequately represented on the Council.

The Chairman of the Council was the Honourable the Commerce Member, Dewan Bahadur Sir A. Ramaswami Mudaliar.

The Vice-Chairman of the Council was Sir Hormusji P. Mody, K.B.E.

It was further proposed that the Secretary of the Commerce Department and the Economic Adviser to the Government of India and such other officers as the Government of India might decide to summon should attend meetings of the Council in the capacity of assessors. The Secretary of the Council would be an Under Secretary in the Commerce Department.

It was hoped that the Council as a whole would meet at least four times a year, and that meetings would be held not only at the Headquarters of the Government, but also, as often as possible, in the major sea port towns. When meetings of the Council were held in a sea port town, it proposed to co-opt additional members, further representative of local business interests, to attend such meetings.

It was further proposed that those members of the Council who were resident at the respective ports should be constituted into local committees (to which additional members might be appointed by Government, if that might appear expedient) to be presided over by the local

Government of India official in charge of export regulation, in order to bring to his notice, and to discuss with him, local difficulties arising out of the general principles which it might be found necessary to adopt from time to time in relation to India's export trades.

The Associated Chambers of Commerce of India were entitled to two seats on the Council. Mr. J. M. B. GIBBONS, nominated by this Chamber and the Hon'ble Mr. J. H. S. RICHARDSON nominated by the Bengal Chamber were duly elected as the Association's representatives.

The first meeting of the Export Advisory Council was held at Simla on the 11th and 12th June 1940. The second meeting was held at Bombay on the 11th and 12th September 1940.

EASTERN GROUP CONFERENCE.

INDIA'S INDUSTRIAL PRODUCTIVE CAPACITY.

At a meeting of the Export Advisory Council held at Bombay on the 11th September 1940, Dewan Bahadur Sir A. Ramaswamy Mudaliar, Commerce Member of the Government of India, referred to the inauguration of an Imperial Conference on War Supplies, afterwards known as the Eastern Group Conference, which it was proposed to hold at Delhi on the 25th October 1940 and the following dates. Several Dominions and Colonies were represented at the Conference: India, Burma, Malaya, Ceylon, Hongkong, Palestine, Union of South Africa, East Africa, Southern Rhodesia, Australia, New Zealand and the United Kingdom. The Technical Conference was largely occupied with war supply problems—munitions and all other articles required for war and during the period of the war. The delegations to the Conference were predominantly official and such non-officials as were associated with them were those concerned with war production. While the Technical Conference was engaged in this problem the Government of India intended to utilize the opportunity of having exploratory talks on the possibilities of commercial agree-

ments with the various individual delegations outside the Conference and it was also hoped to have talks as regards the existing position consequent on the war on the relative trade of the various countries with India. In this connection the Government of India requested the Chamber to furnish them with information in regard to the existing development of industries in India such as (*a*) the stage of the industry, the state of production, the facilities for export and the markets the industries have got and (*b*) the capacity of Indian industries which could be used to exploit fields of exportation hitherto unexploited. Members were consequently requested in October 1940 to furnish replies to a questionnaire the object of which was to obtain particulars of imported commodities which in the experience of members, (*i*) it had been found difficult so far to replace by supplies from other sources; (*ii*) had been replaced by supplies from countries in the sterling group, and (*iii*) had been replaced by supplies from countries outside the sterling group.

Members were also asked for particulars of goods of which there was an exportable surplus.

Summaries were drawn up of the replies received from members to the questionnaire and were forwarded to the Department of Commerce of the Government of India.

SURPLUS PRODUCTION OF RAW COMMODITIES IN INDIA.

In the course of a speech delivered at a meeting of the Export Advisory Council held at Bombay on the 12th September 1940, the Honourable the Commerce Member in referring to the problem of surplus production in India of some of the raw commodities, pointed out that the main raw commodities which were primarily concerned were Jute, Cotton, Groundnuts and Wheat; because, if the prices of these commodities could be stabilised at a level which was reasonable, it was possible that other commodities might find their own level without an undue

depression in the prices. Although the problem of the disposal of surplus production of these commodities was not acute at the moment Government felt that they should look ahead and be prepared for any contingencies which might arise due to the further constriction of the export markets. In discussing possible solutions to the problem the Commerce Member suggested (1) that acreage of production might be curtailed either by allowing some portions of the land to lie fallow or by turning from one kind of cultivation to another and finding an alternative crop which might be consumed internally; (2) that the level of prices might be kept up internally by withdrawing a certain amount from internal consumption. From this would arise problems relating to responsibility for storage, the maintenance of the export of the products, the bearing of loss due to cheap sales of surpluses or the destruction of surpluses. The Government of India requested the views of the Chamber on the subject.

In replying to the Government of India the Committee stated that the commodity which presented the greatest problem was cotton. India's commercial crop was, on an average, six million bales of which almost exactly three millions were exported and three millions consumed by mills in India. It was no longer possible to ship cotton to countries in Europe which in the past accounted for approximately one million bales of Indian cotton yearly.

This in itself was an adverse factor, but it was one which might be offset in part by increased takings by Indian mills and the Committee would regard the future with something approaching equanimity if a continuation of the existing state of affairs could be relied on: that is to say normal trade with Japan, China and the United Kingdom and abnormal trade in India.

What was important to realise, however, was that nearly one and a half million bales out of the two million still expected to be shipped, depended on the continued

custom of Japan and China. If for any reason a large part of these one and a half million bales could not be shipped, the result would be disastrous. Any sudden elimination of these markets, by way of a declaration of war or an imposition of an embargo, would inevitably produce a collapse in all markets, led by cotton, and a loss of confidence generally.

It was not for the Committee to try to assess the chances of such a happening. But they urged that the contingency, however remote, should be guarded against. Suitable action, indeed, was necessary if only to nullify any minor attempt by Japan to turn her strong bargaining position to good account. Even if completely devoid of bellicose intentions, Japan might nevertheless induce a state of depression in Indian markets by omitting over an extended period to lift cotton from Indian ports.

The Committee were, therefore, of the opinion that action by Government was most desirable, and they felt that there would be no insuperable difficulty in formulating a workable scheme provided Government were willing to undertake the liability of providing a sum of at least Rs. 10 crores annually either by way of a loan against cotton crops or as capital for their purchase on Government account. The figure of 10 crores was arrived at by estimating that in the event of Japan becoming an enemy some 15 lakhs of bales would be without an export outlet and by valuing these bales at an average price of Rs. 130 per candy at port of shipment.

Before outlining any particular scheme the Committee observed that there were those who considered that, as a concomitant of Government interference to support prices, there should be organised acreage reduction : with this the Committee were in general agreement although in the existing case it was impossible to make it a condition precedent. Others went further and maintained as they had always done, that Government interference was always to be deprecated. It was mentioned in passing that this

attitude, based on confidence in the operation of the law of supply and demand, had necessarily been questioned in recent years when Governments in other countries had resorted to such drastic methods of price control as the ploughing in of standing cotton and the burning of coffee. And it had become increasingly apparent that, in the case of cotton, it would only be a matter of time before the United States of America demanded co-operation from other cotton growing countries. In this connection it should be remembered that the Government of the U.S.A. in its efforts to provide a remunerative price for its own farmers, had effectively controlled production within its own country but encouraged the sowing of greater areas outside it. The increase in the aggregate supply of cotton resulted in the U.S.A. having a greater surplus than ever ; and eventually, after an abortive attempt to persuade other cotton growing countries to co-operate, the Government of the U.S.A. subsidised exports of cotton to the extent of Rs. 30 per candy. Some such subsidy would have been in force during the current season also, but for the fact that many markets were no longer available, whatever the comparative price of cotton.

As the difficulty would be, if anything, aggravated by the continuation of the war, there seemed to be a good reason for the Government of India to undertake a survey of the acreage under cotton immediately with the object of facilitating the admittedly difficult task of curtailing production.

As an example of a possible scheme the following tentative suggestion was outlined. This would probably call for modification such as the introduction of up-country tenders, at an agreed price difference, a lower basis price to cover a larger quantity, etc. An alternative to Government's purchase would, as previously suggested, be a scheme of Government loans, with or without interest. Such a loan policy would involve the co-operation of the Imperial Bank in providing bonded warehouses up-country and of the Cotton Associations in providing machinery for surveying the quality.

Scheme.

According to the Indian Central Cotton Committee figures, exports to Europe (excluding the U. K.) and the Far East had averaged in the four years 1936 to 1939 :—

	Europe.	*Far East.*	*Total.*	%
Bengals (excluding Sind) ..	229	256	485	31
Oomras (including Muttias) ..	204	761	965	61
Broach (ordinary)	45	80	125	8
(Figures in thousands of bales)..	478	1,097	1,575	100

Sind was excluded because the U.S.A. still took a considerable quantity and in any case the Sind contract was notoriously vulnerable. It was not necessary to consider cotton of a higher value than Ordinary Broach or small crops such as Mungari Westerns.

It was proposed that Government should declare themselves prepared, should the prices be reached, to take up a quantity not exceeding 1,000,000 bales as under in the current season and the following season. The cotton not to be resold except at a rise of Rs. 20 or after one year.

1. Bengals up to 3 lakhs bales. Basis price Rs. 120 Bombay Bengals, and Rs. 122 Karachi Fine Punjabs.

2. Oomras, up to 6 lakhs bales. Basis Fine Oomras Rs. 150. The contract would have to be revised to allow the tender of Fine Khandesh and Moglais at a discount of say Rs. 3 and Fine Muttias at say Rs. 15. Fine Central Indians might be tenderable at par.

3. Broach, up to 1 lakh bales. Basis price Rs. 170.

Such a scheme would of course involve many difficulties if Government actually took up the million bales, and its main advantage would be the encouragement of holding amongst the ordinary trade at a time when otherwise the combination of crop movement with international uncertainty might destroy all confidence.

PROPOSED ORGANISATION FOR FACILITATING EXPORTS.

In October 1940 the Indian Central Cotton Committee intimated that they had had under consideration the position of Indian cotton arising as a result of the shutting off of several European markets owing to the war, and the measures feasible to make up for the loss thus caused. The question of finding alternative uses for Indian cotton in industries other than textiles, such as road making, cotton bagging, imitation leather goods, substitute for wall paper, etc., or for its more extended use in industries in which it was already employed at the moment, was already engaging the attention of the Indian Central Cotton Committee but these measures were considered quite inadequate to deal with the surplus which would be thrown on the Indian market owing to the conditions mentioned above. The general view expressed, however, was that, although the market for Indian raw cotton had become restricted, there was much scope for the expansion of the Indian piecegoods trade and that any improvement which might be effected in this direction would materially assist the off-take of Indian cotton. It was understood that as a result of restricted supplies, Indian mills had received numerous enquiries for piecegoods from countries outside Europe, and whilst it was within the capacity of Indian mills to meet these demands, the lack of sufficient freight for export of piecegoods acted as a limiting factor. Many of the difficulties connected with this question could be overcome if an export organisation were set up by the commercial interests of the country, whose functions would be, *inter alia*, to undertake propaganda for the purpose of increasing the consumption of Indian cloth in India, to explore the possibilities of increasing the export of piecegoods to such countries as Ceylon, Malay, Australia, etc., and to take such steps as might be found feasible to facilitate the export of piecegoods. The Indian Central Cotton Committee enquired whether the Chamber would be prepared to assist the establishment and maintenance of such an organisation and added that

they would be willing to render necessary help and share expenses.

The Committee stated that they were in agreement with the suggestion of the Indian Central Cotton Committee and were prepared to offer any co-operation in their power, but in regard to the question of expenses a decision could not be arrived at for the time being until concrete proposals were forthcoming.

INDIAN STORES DEPARTMENT.

Inspection of Tenderers' Accounts, etc.

During September and October 1940 the attention of the Committee of the Chamber was drawn by several members to the demand made by the Indian Stores Department in certain cases for inspection of accounts, invoices and other relevant documents, for the purpose of enabling the Department to determine whether the price quoted by the tenderer was a fair one.

While admitting that there might be instances in which the Department would be justified in demanding such inspection, the Committee in addressing the Chief Controller in the matter pointed out that the idea underlying the invitation for tenders was to protect the buyer by resorting to wide-spread yet "mutually ignorant" competition. If, therefore, the article required was one in which there was competition the buyer was fully protected by the tender system against the possibility of having to pay more than a fair price for it.

If on the other hand the article required was a monopoly of a particular firm there should be no question of tenders being called for but the method of private treaty should obtain. If it was considered necessary to inspect the required documents this condition should be brought to the notice of the supplier before the business was negotiated. It followed, therefore, that in the opinion of the Committee tenders should only be called for in the case of those articles of which

there was a reasonably large number of suppliers, and that in the other cases an officer of the Indian Stores Department should discuss the prices and other details personally with the firms concerned before entering into a contract.

INDIAN STORES DEPARTMENT.

Exchange Clause in Invitations to Tender.

In February 1940 the attention of the Committee was drawn by a member to the hardship caused to firms tendering to the Indian Stores Department for supplies originating from America or other neutral countries by the inclusion in the standard form of invitation to tender, of the following exchange clause :

"Prices should be firm in Indian currency and not subject to exchange fluctuations."

The time elapsing between the submission of a tender and its acceptance was usually a matter of several weeks and under war conditions the dollar and other foreign exchanges might during this period fluctuate very considerably and the tenderer was not in a position to arrange for exchange cover with his banker until such time as he knew that his tender had been accepted. The Committee therefore requested the Chief Controller of Stores to consider the possibility of inserting a clause somewhat on the following lines :—

"This tender is based on (currency to be stated) at a rate (to be stated). At the time of acceptance of the tender any advantage or disadvantage therefrom will be for the account of the I.S.D."

The Chief Controller of Stores informed the Chamber that tenderers were at liberty to tender subject to the condition mentioned above and that such tenders would be considered on their merits. He added that no modification of the form of invitation to tender was considered necessary as it was a standard form applicable to supplies originating also from countries other than America.

INDIAN STORES DEPARTMENT.

CANCELMENT OF CONTRACTS FOR LATE DELIVERY.

In September 1940, the attention of the Committee was drawn by a member to the following stipulation which appeared in an acceptance of a tender submitted to the Indian Stores Department but which was not included in the terms of the tender :—

"As the delivery date is not guaranteed, this Department reserves the right to cancel the order if the delivery date is not observed or the extension required does not suit this Department."

The Committee regarded a condition of this type as entirely unacceptable to responsible firms, as in effect it made the acceptance of goods tendered completely optional and at the discretion only of the buyer. An acceptance by any tenderer of such a clause would, in the Committee's view, show an irresponsibility of outlook on the part of the firm concerned which must be detrimental in the long run to sound business and unfair to responsible compotitors.

The Committee accordingly addressed the Chief Controller of Stores, Indian Stores Department, on the subject and requested him to reconsider the matter and issue instructions that a clause of this nature should not be included in the terms of acceptance.

The Chief Controller of Stores, in reply, stated that the object of the clause was merely to enable his Department to cancel an order if the delivery was so long delayed that other arrangements had to be made or the need for the purchase had ceased. It was contended that the Department could not be placed in the position of being compelled to buy an article long after the date by which the indenting officer required it, had passed. It was added that in actual practice it was scarcely probable that the Department would be unable to give firms sufficient notice of cancellation or that the Department would have to refuse to buy an article the manufacture of which had been nearly completed.

In order, however, to meet the objection raised by the Chamber the Chief Controller of Stores stated that he would be glad to consider any alternative clause which, while safeguarding the interests of the buyer, might be acceptable to the trade and requested the Chamber to suggest for this purpose a suitable clause for consideration.

The Committee suggested the following clause and expressed a hope that it would be acceptable to the Department.

"As the delivery date is not guaranteed, this Department reserves the right to cancel the order, if the delivery date is not observed or the extension required does not suit this Department, unless the delay in delivery has arisen from causes which can be construed as *force majeure* and the suppliers have incurred expenditure on raw material or otherwise in regard to this order. In this case reference shall be made to arbitrators (one appointed by the Department and one by the suppliers) who shall assess the loss incurred by the suppliers and the amount of compensation, if any, which shall be paid by the Department to the suppliers."

TENDERS FOR MISCELLANEOUS STORES FOR THE NORTH WESTERN RAILWAY.

In April 1940 the attention of the Committee was drawn to the fact that supplementary tenders issued by the Indian Stores Department on behalf of the North Western Railway for miscellaneous stores were at the moment issued entirely by the I. S. D. at Calcutta.

The North Western Railway being situated at approximately the same distance from Bombay as from Calcutta merchants in the latter city had an undue advantage over those in Bombay in this matter. When tenders were sent by post and replied to by post, Calcutta merchants had six days advantage over Bombay merchants, and in many cases the time given by the I. S. D. Calcutta, for tendering was too short to make it practicable for Bombay merchants efficiently to deal with the tender.

The Committee accordingly addressed the Chief Controller of Stores, Indian Stores Department, in the matter and requested him to consider the possibility of issuing enquiries from a more suitable geographical point, as for instance Delhi, or alternatively, that enquiries issued in Calcutta should give ample time for tenders to be submitted from Bombay.

The Chief Controller in reply stated that while all important demands were dealt with at the Headquarters' office of that Department as far as possible small demands were handled by the Provincial Purchase Circle, which was considered most appropriate for the supply of articles demanded. He added that the Controller of Purchase, Indian Stores Department, Calcutta, allowed as much time for the preparation and submission of tenders as the circumstances of each case permitted.

B. B. & C. I. RAILWAY TENDER FORM.

PROPOSED NEW CANCELLATION CLAUSE.

The attention of the Chamber was drawn recently to the fact that the B. B. & C. I. Railway proposed to insert in their Conditions of Tender and Contract (Form No. 45-F) a new clause No. 7C in the following terms :—

" 7C. The Controller of Stores may, at his discretion, decide to accept material that may not, in his opinion, correspond exactly with the approved and accepted samples or specifications and may determine the prices thereof, and he may also at his discretion, accept and appropriate for use material for which an analysis or test has been required under Clause 7A notwithstanding that at the time of such acceptance and appropriation the result of the analysis or test has not become known to him and he may determine the prices thereof if upon the result of such analysis or test becoming known to him it is found that the material does not correspond exactly with the approved and accepted samples or specifications. The contractor shall accept without objection the prices thus determined by the Controller of Stores but notwithstanding anything contained in this clause, the Controller of Stores or his Assistants shall not be debarred from purchasing material at the risk of the contractor, should the circumstances make it necessary."

The proposed insertion of the above clause was very strongly opposed by the Association of Paint, Colour and Varnish Manufacturers in India on the ground that it was detrimental in the highest degree not only to the interests which that Association represented but also to the interests of other industries which did business with the B. B. & C. I. Railway. The Association asked for the Chamber's support to their protest.

In addressing the Agent of the B. B. & C. I. Railway on the subject the Committee stated that the clause appeared to give power to the Railway to take delivery of tendered material and after using it, if an analysis showed any variation from the original sample, the arbitrary right of deducting an amount to be decided by the railway from the agreed price. The Committee felt that such procedure was entirely unjustified as in general principle they considered that it was the duty of a buyer to satisfy himself by an analysis of the quality of the material tendered before taking delivery and in this case if the Railway had omitted to allow sufficient time to do this, the risk of any difference in the material supplied and the original sample should necessarily be one which fell on the railway. The Committee therefore associated themselves with the protest issued by the Association of Paint, Colour and Varnish Manufacturers in India.

RULES OF THE NATIVE SHARE AND STOCK BROKERS' ASSOCIATION.

(*See Reports* 1923, *Vol. I, page* 55 ; 1925, *Vol. I, page* 297 ; 1926, *Vol. I, page* 75 ; 1927, *Vol. I, page* 108 ; 1930, *Vol. I, page* 224 ; 1932, *page* 295 ; 1933, *page* 232 ; 1935, *page* 39 ; 1936, *page* 46 ; 1937, *page* 235 ; 1938, *page* 201, *and* 1939, *page* 240.)

In May 1940 the Chamber was asked for an expression of its views by the Government of Bombay, Finance Department, on a suggestion from the Native Share and Stock Brokers' Association that Government should undertake legislation so as to validate principal contracts. Government

expressed the view in conformity with the recommendation of the Morison Enquiry Committee, that it was undesirable to allow principal contracts. The Association suggested that if Government had objections to making all principal contracts valid they might at least permit principal contracts in the following two cases, i.e., (1) *budli* contracts in which the broker employed his own resources and (2) contracts between members of the Native Share and Stock Brokers' Association and members of organised stock exchanges outside the Province of Bombay.

The Committee informed the Government of Bombay that in their opinion the validating of principal contracts was in general not desirable in the absence of a clear distinction between jobbers and brokers.

The validating of principal contracts would tend to encourage jobbing-cum-broking and thus open the way for malpractices of all sorts. The non-existence of a dividing line between brokers and jobbers had led to members putting themselves forward as brokers, often jobbing when a suitable opportunity presented itself, and the proposals of the Native Share and Stock Brokers' Association if accepted would result in the broker-jobber type of member being further encouraged. Furthermore, if members were permitted to issue principal contracts, the general public would be denied an important right to which they were entitled under the law of agency, viz., of ascertaining and investigating the accuracy of the commission stated to have been charged by members, and they would therefore be completely at the mercy of the members.

The Committee added that some points might no doubt be urged in favour of allowing relaxation with regard to the two cases referred to by the Native Share and Stock Brokers' Association. So long as the jobber-cum-broker continued to exist there was perhaps some justification for permitting the passing of a principal contract in respect of business done between members of the Native Share and Stock

Brokers' Association and members of other organised outside stock exchanges, because the relationship between such members was in its very nature that of principals towards each other. In such cases contracts should be specially marked. The bulk of the business done with outside exchanges was, however, ready business and did not come within the scope of the Bombay Securities Contract Control Act.

So far as *budli* business was concerned, the present practice of allowing principal contracts permitted of members employing their own funds for taking up shares in *budli*, but self interest here too might often result in the general public paying a higher commission if they were obliged to accept principal contracts than they would ordinarily pay if principal contracts were disallowed.

Allowing members of the Association to deal with their clients as principals was therefore, in the opinion of the Committee, likely to stimulate speculative tendencies on the part of the members and permit of malpractices, and they held the view that contracts of this type were under existing conditions undesirable in the public interest.

In July 1940 the Government of Bombay, Finance Department, requested the views of the Chamber in regard to the following amendments which it was proposed to make in the Rules for the regulation and control of transactions in securities (other than ready delivery contracts) :—

" After clause (*iii*) of rule 90 (*a*) (6), the following clause shall be added, namely :—

(*iv*) ' fixing from time to time rates above which or below which sales or purchases in any security shall or shall not be made.'

Rule 90 (*b*) shall be renumbered 90 (*c*) and the following new rule 90 (*b*) shall be added, namely :—

' 90 (*b*). The Board may dispense with the strict enforcement or operation of any rule or rules provided that a resolution for this purpose be carried by a majority of three-fourths of the Board present at a meeting specially summoned and consisting of not less than twelve members and approved by Government.'

After clause (2) of rule 298 (c) the following clause shall be added, namely :—

'(3) The Board may prohibit new dealings in any security but may allow dealings in connection with existing contracts subject to any restrictions imposed by the Board. Such restrictions shall have effect notwithstanding any rule to the contrary.'

Rule 308 and its heading "General Prohibition" shall be deleted."

The Committee expressed the following views :—

Rule 90 (*a*) (6) (*iv*).—The Committee agreed with the proposed amendment provided it was a war measure only and that such minimum or maximum rates were subject on each occasion to Government's approval.

New Rule 90 (*b*).—The Committee also approved of this suggested new Rule as it also contained a proviso that it must receive the approval of Government. They suggested, however, that it should be stipulated that notice of all resolutions passed by the Board of the Stock Exchange should be placed on the Stock Exchange Notice Board for the information of members for at least one month prior to sanction from Government being asked.

Rule 298 (*c*).—This proposed Clause No. (3) was also agreed to as a crisis measure only and subject to notice in English being given to all Stock Exchange members and the public.

Rule 308.—It was agreed that this rule which prohibited the Board from fixing prices at which stock, shares, etc., should or should not be sold, should be deleted.

Towards the end of July 1940, the Government of Bombay, Finance Department, requested the views of the Chamber in regard to certain further amendments which it was proposed to make in the rules for the regulation and control of transactions in securities (other than ready delivery contracts).

Practically all the amendments were of a verbal character and pertained largely to the management of the internal affairs of the Stock Exchange. With the exception

of the proposed amendment of Rule 90 (*a*) (6) (*i*) the Committee had no comments to offer. The amendment to the proviso to Rule 90 (*a*) (6) (*i*) sought to give the Board powers to close the market without the sanction of Government for two working days as against the existing powers to close the market for 24 hours without sanction. The present sanction to close for 24 hours was given to meet a grave national or international situation which might cause a crisis on the stock markets, and assuming that Government sanction to an extension of the period of 24 hours already provided for was normally granted without delay the Committee could not see how the rules as they stood at the moment did not adequately meet the case. There would appear to be sound reasons why the amendment should not be approved. These reasons were based on the fact that the all too frequent closures of the market for a variety of petty reasons, (mostly political), were a source of extreme inconvenience to the investing public and to allow extended scope for this undesirable feature would lessen still further the Government control already provided by the existing rules.

The Committee added that if, however, it was decided to allow the amendment, they would suggest that the powers to close the market for two working days should be subject to certain justifiable conditions to be stipulated unequivocally and embodied as part of the amendment.

In September 1940 the Government of Bombay, Finance Department, requested the views of the Chamber in regard to an amendment of Rule 298 (*f*) of the Rules of the Native Share & Stock Brokers' Association proposed by the Association with a view to permitting a broker to sell off shares purchased on behalf of defaulting clients in the open market on or after the day of the re-opening of the market for dealings either in ready or forward delivery instead of, as at present, being compelled to carry forward the purchases until the market re-opened for forward delivery.

The Committee were in agreement with the proposed amendment.

PROHIBITION.

(*See Reports* 1938, *page* 133; 1939, *page* 193.)

In January 1940 the Chamber was informed by the Government of Bombay that with a view to a proper appraisement of the results of prohibition in relation to the life of the people in the "dry" areas, Government proposed to constitute a Prohibition Research Advisory Board for the Bombay area similar to the one set up for the Ahmedabad and Bardoli Prohibition areas and to appoint thereon, in addition to official members, representatives of certain public bodies in the city. Government enquired whether the Chamber would be prepared to nominate a representative to work on this Board.

In reply the Committee referred to the Chamber's previous letter of the 25th May 1939 (see Report for that year) wherein it was stated that the Chamber was opposed to the policy of the introduction of prohibition and in view of this the Committee were unwilling to appoint a representative to work on the proposed Board.

On the 14th July 1940 the Government of Bombay issued a Press Note explaining the then existing position regarding the prohibition of the possession of intoxicants in Bombay and other "Prohibition" areas in the light of recent legal decisions. In criminal reference No. 75 of 1940 the Bombay High Court in a judgment dated 1st July 1940 held that the notification issued on 17th July 1939, under Section 14B (2) of the Bombay Abkari Act, 1878, prohibiting the possession of intoxicants in Bombay City, was not validated by Bombay Act VI of 1940 (the Governor's Act) and was ineffective. The High Court also stated that it was beyond the powers of the Provincial Legislature to enact any law prohibiting possession of intoxicants in such a way

as to encroach upon the right to import and export across the Customs frontiers.

Previous to this legal decision the Government of Bombay had in view making certain changes in the policy of prohibition, as the result of the experience gained since it had been in force. These changes were intended to maintain prohibition for country liquor and toddy, but would have altered the regulations in respect of foreign liquor with the object of making them more acceptable to those who had been accustomed to foreign liquor. These contemplated changes had to be reviewed and made to confirm to what was legally possible as the result of the High Court decision.

The Government of Bombay stated that they proposed to apply for a certificate to appeal to the Federal Court against the judgment of the High Court. But so long as the view taken by the High Court was not reversed or modified by a higher tribunal, it had to be followed and any notification issued under section 14B (2) of the Bombay Abkari Act prohibiting possession of intoxicants would have to exclude from its purview the possession of any intoxicant following upon, or incidental to, the import of such intoxicant across a Customs frontier, or preceding or incidental to the export thereof across such frontier.

It was clear, from the experience of the past and from the advice tendered by the law officers, that attempts to adapt the provisions of the Abkari Act to a policy of prohibition were liable to be challenged in the courts, and with each successful challenge the effective basis of prohibition was shaken and the administrative difficulties of enforcement greatly increased. It was Government's considered view that, even if the existing legal position came to be modified by a higher tribunal, effective prohibition of intoxicants could only be satisfactorily secured by the passing of a specific and comprehensive Prohibition Act to replace the Abkari Act. Such an Act would need to be elaborate and would be controversial, and would not be

likely to secure that general acceptance which was necessary for its success unless it were fashioned by a Legislature. The Government considered that a measure of this character should be left to be enacted by a Legislature.

Meanwhile the immediate problem before the Government was to adapt its procedure both to what was possible under the Abkari Act and to what conformed to recent legal decisions. Under these limitations the Government proposed to do what was possible to reduce to a minimum the consumption of country liquor and toddy in the prohibition areas, while relaxing to a considerable extent the conditions relating to foreign liquor.

The Government intended to devote any additional revenue from these changes to the relief of taxation under the Property Tax, but stated that it should not be assumed that any large relief would be possible, since the Government anticipated that these arrangements would mean the continued sacrifice of most of the revenue from the sale of country liquor and toddy.

Broadly, the effect of these regulations in Bombay would be that in Bombay and its suburbs no country liquor or toddy would be on sale anywhere (except for sacramental liquor sold at the four Government depots) and sale by any private person would be punishable.

A person might bring into Bombay and Salsette country liquor or toddy only provided that he had previously paid a special excise duty and obtained a receipt from an Excise Officer for the amount paid. If a person was found bringing in country liquor or toddy without a pass for it he would be liable to prosecution. If he had paid the excise duty, he might possess the duty paid liquor for his own private use. But its sale would be punishable.

There would be no restrictions on the purchase, or possession of foreign liquor by any private individual, but its sale except by licensed vendors would be punishable.

It is mentioned above that the Government of Bombay proposed to apply for a certificate to appeal to the Federal Court against the judgment of the Bombay High Court. The latter, however, on the 16th January 1941, refused the grant of a certificate.

EXHIBITIONS AND FAIRS.

Papers in connection with the following Exhibitions and Fairs were received by the Chamber during the year under review and were placed at the disposal of members.

24th Swiss Industries Fair, Basle, 30th March to 9th April 1940.
20th Brussels International Fair, Brussels, 6th to 17th March 1940.
7th All-India Swadeshi Exhibition, Trichur (Cochin State), 14th to 28th April 1940.
32nd International Samples Fair, Paris, 11th to 27th May 1940.
Canadian National Exhibition, Toronto, 23rd August to 7th September 1940.
Trade Fair at Hanoi, Indo-China, December 1940 to July 1941.
Industrial Exhibition, Gwalior, 20th December 1940 to 10th January 1941.
11th Jammu and Kashmir State Exhibition, 2nd September to 3rd October 1940.
Mysore Dasara Exhibition, 2nd to 17th October 1940.
All-India Swadeshi Exhibition, Allahabad, 26th October to 12th November 1940.
Khadi and Industrial Exhibition, Lucknow, 23rd November to 15th December 1940.
All-India Industrial and Agricultural Exhibition, Patna (Bihar), November to December 1940.
Cottage Industries Exhibition, Lucknow, during the first fortnight of December 1940.

LIST OF ACTS AFFECTING COMMERCE AND INDUSTRY PASSED BY THE INDIAN LEGISLATURE DURING THE YEAR 1940.

CENTRAL LEGISLATURE.

I. Registration (Emergency Powers).

V. Trade Marks.

VI. Indian Coinage (Amendment).

VII. Reserve Bank of India (Closing of Annual Accounts).
IX. Reserve Bank of India (Amendment).
X. Indian Arbitration.
XI. Coal Mines Safety (Stowing) Amendment.
XII. Income-tax Law Amendment.
XIII. Reserve Bank of India (Second Amendment).
XV. Excess Profits Tax.
XVI. Indian Finance.
XVII. Factories (Amendment).
XVIII. National Service (European British Subjects).
XIX. Defence of India (Amendment).
XX. Insurance (Amendment).
XXI. Indian Tariff (Amendment).
XXII. Indian Tariff (Second Amendment).
XXIII. Drugs.
XXIV. Indian Mines (Amendment).
XXV. Petroleum (Amendment).
XXVI. Motor Vehicles (Amendment).
XXVII. Agricultural Produce Cess.
XXXIII. Indian Registration (Amendment).
XXXIV. Code of Civil Procedure (Amendment).
XXXV. Code of Criminal Procedure (Amendment).
XXXVI. Indian Companies (Amendment).
XXXVII. War Donations and Investments (Companies)
XXXVIII. Reserve Bank of India (Third Amendment).
XXXIX. Motor Spirit (Duties) Amendment.
XL. Indian Income-tax (Amendment).
XLI. Indian Sale of Goods (Amendment).
XLII. Excess Profits Tax (Amendment).
— Indian Finance (No. 2).

BOMBAY PROVINCIAL LEGISLATURE.

I. Bombay Finance (Amendment).

II. Bombay Rent Restriction (Amendment).

III. Bombay Motor Vehicles Tax and the Bombay Local Boards (Amendment).

VI. Bombay Abkari (Amendment).

VIII. Bombay Securities Contracts Control (Amendment).

CHAMBER'S ACCOUNTS.

In presenting the Chamber's accounts for the year 1940, the Committee report that, there was an excess of income over expenditure of Rs. 28,868-5-4. Compared with 1939, the total receipts of the Chamber show an increase of Rs. 12,076-15-0. Membership subscriptions decreased by Rs. 2,472-4-0 and subscriptions to Statistical Returns by Rs. 3,772-13-0. Measurement fees on the other hand show an increase of Rs, 18,919-13-6. The total expenditure for the year decreased by Rs. 6,444-12-5 as compared with 1939.

C. P. BRAMBLE,

President.

G. S. TAUNTON,

Member of Committee.

C. H. COURTHOPE-MUNROE,

Secretary.

BOMBAY, *27th February* 1941.

THE BOMBAY CHAMBER OF COMMERCE.

(Incorporated under the Indian Companies Act, 1913.)

Balance Sheet as at **31***st December*, 1940.

LIABILITIES.	Rs. a. p.	Rs. a. p.
Outstanding Bills—		
Bills in respect of Chamber's History, Wheel Tax, Audit Fee, Miscellaneous Printing, etc.	....	577 6 0
Advance Receipts—		
Subscription to Special Statistics	9 0 0	
Arbitration Fees	230 0 0	
Membership Subscription ..	180 0 0	419 0 0
Reserves—		
Passage	2,000 0 0	
Income-Tax for 1940-41 and 1941-42	7,150 0 0	
For Fluctuation of Investments.	2,985 8 0	12,135 8 0
Motor Car Reserve—		
Amounts provided :—		
In previous years	3,500 0 0	
This year	100 0 0	3,600 0 0
Chamber of Commerce Accumulated Fund—		
Balance on 31st December, 1939	1,86,881 6 1	

ASSETS.			Rs. a. p.	Rs. a. p.
Office Furniture—				
Estimated value as on 31st December 1928			7,860 0 0	
	Rs. a. p.			
Additions up to 1937	6,753 13 0			
Do. during the year	120 0 0			
			6,873 13 0	
			14,733 13 0	
Less—Sale Proceeds up to 1935 ..	.. ..		355 0 0	
			14,398 13 0	
Less—Depreciation written off in :—	Rs. a. p.			
Previous years	12,169 2 0			
This year	462 4 0			
			12,631 6 0	
				1,767 7 0
Statistical Furniture—				
Cost to 31st December 1939	.. ..		4,682 12 0	
Less—Depreciation written off in :—	Rs. a. p.			
Previous years	3,885 8 0			
This year	276 12 0			
			4,162 4 0	
				520 8 0
Measurement Furniture—				
Cost to 31st December 1939	.. ..		114 0 0	
Less—Depreciation written off in :—	Rs. a. p.			
Previous years	48 8 0			
This year	28 8 0			
			77 0 0	
				37 0 0
Office Motor Car—				
Cost to 31st December 1939	.. ..			3,600 0 0
(Depreciation provided per contra.)				
Measurement Department Chowkies—				
Cost to 31st December 1939	.. ..		1,617 1 0	
Less—Depreciation written off this year	.. ..		404 5 0	
				1,212 12 0

Add—Excess of Income over Expenditure (as per annexed Account)	28,868 5 4	2,15,749 11 5
Total .. Rs.	....	2,32,481 9 5

INVESTMENTS.	Face Value Rs.	Market Value on 31st December 1940. Rs. a. p.	Cost Price. Rs. a. p.		
2½ per cent. 1948-52 Loan ..	42,500	40,853 2 0	41,835 15 0		
3 per cent. 1951-54 Loan ..	42,500	41,809 6 0	42,287 8 0		
5 per cent. Government Income-tax Free Loan 1945-55	71,000	79,875 0 0	71,000 0 0		
	1,56,000	1,62,537 8 0	1,55,123 7 0		
Less—Appreciation		7,414 1 0			
		1,55,123 7 0	1,55,123 7 0		
48 Shares in the Bombay Telephone Company, Limited ..			2,130 0 0		
				1,57,253	7 0
Interest accrued on Investments			....	1,387	11 8
Stock of Chamber's History			....	464	0 0
Bills Receivable (since received)			....	180	0 0
Loans to Staff (since received Rs. 89)			....	341	0 0
Advance Payments—					
Due from the National Service Advisory Committee (since received Rs. 737-2-0)			....	1,683	14 6
Deposit with the Government of India, Publication Branch			....	100	0 0
Cash and Other Balances :—					
In hand			155 3 9		
With the Imperial Bank of India, Current Account ..			38,778 9 6		
Fixed Deposit with the Mercantile Bank of India Ltd...			25,000 0 0		
				63,933	13 3
Total .. Rs.			....	2,32,481	9 5

C. P. BRAMBLE,
President.

G. S. TAUNTON,
Member of Committee.

C. H. COURTHOPE-MUNROE,
Secretary.

BOMBAY, 27*th February* 1941.

LIBRARY
OF THE
BOMBAY
BRANCH
OF THE
ROYAL ASIATIC SOCIETY

THE BOMBAY CHAMBER OF COMMERCE.

(Incorporated under the Indian Companies, Act, 1913.)

Dr. *Income and Expenditure Account for the year ended 31st December 1940.* *Cr.*

EXPENDITURE	Rs. a. p.	Rs. a. p.	INCOME.	Rs. a. p.	Rs. a. p.
To—			By—		
Subscription to Weather and Crop Reports	51 8 0		Membership Subscription	....	66,780 0 0
Membership Subscription to the Federation of Chambers of Commerce of the British Empire	29 4 6		Statistical Returns	27,276 10 0	
Membership Subscription to the Associated Chambers	640 0 0		Special Statistical Returns	4,844 14 0	
		720 12 6	Statistical Miscellaneous Receipts	225 4 0	
Chamber Office.					32,346 12 0
Salaries	60,876 14 0		Measurement Fees	99,921 1 6	
Rent	7,200 0 0		Weighment Fees	12,171 2 6	
Printing Miscellaneous Papers, Annual Report for 1939, etc.	4,250 2 0		Miscellaneous Receipts	647 0 0	
Advertisements	81 2 0				1,12,739 4 0
Books and Periodicals	424 3 9		Arbitration Fees	....	210 0 0
Stationery	1,337 3 0		Fees for issuing Certificates of Origin, etc.	....	9,880 0 0
General Charges	2,163 9 3		Fees for issuing Certificates of Refraction	....	598 0 0
Telephone Charges	495 0 0		*Force Majeure* Certificates	....	30 0 0
Fire Insurance Premium	14 1 0		Miscellaneous Receipts	....	116 14 3
Cash in Transit Insurance Premium	137 14 0		Dividends	....	192 0 0
Employer's Indemnity Insurance Premium	131 14 0		Interest on Fixed Deposit	....	273 7 0
Contribution to the Provident Fund	5,122 8 0		*Interest on Investments*—		
Law Charges	165 0 0		Taxable	2,443 12 0	
Audit Fee	250 0 0		*Less*—Income-Tax	407 7 8	
Motor Car Upkeep	2,620 14 6			2,036 4 4	
Replacements to Car	287 7 0		Tax Free	3,550 0 0	
Port Trust Ground Rent	100 0 0				5,586 4 4
Furniture Depreciation	462 4 0		Donations received from Members of the Chamber to the Indian Red Cross and St. Dunstan's Funds paid as per contra	....	25,944 0 0
Motor Car Depreciation	100 0 0				
Bonus	1,120 1 0				
		87,340 1 6			
Statistical Department.					
Salaries	19,501 0 0				
Statistical Typists' Salaries	4,164 0 0				
Cyclostyling Returns—Cost of Ink, Duplicating Paper, etc.	2,749 12 0				
Printing Returns	5,432 4 0				
Contribution to the Railways	2,137 8 0				
Books and Periodicals	13 0 0				
Stationery	677 6 0				
Petty Charges	589 5 9				
Contribution to the Provident Fund	1,950 8 0				
Furniture Depreciation	276 12 0				
Bonus	923 0 0				
		38,414 7 9			
Measurement Department.					
Salaries (Measurement and Weighment)	55,541 12 0				
Printing Charges	214 12 0				
Stationery	391 7 0				
Telephone Rent	280 0 0				
Bonus	1,865 0 0				
Petty Charges	403 15 0				
Weighment—Labour and Scales	1,479 11 0				
Repairs to Chowkies	175 9 0				
Furniture Depreciation	432 13 0				
Contribution to the Provident Fund	4,455 8 0				
Pensions and Gratuities	240 0 0				
		65,480 7 0			
Travelling Expenses	528 7 6				
Passage Reserve	1,000 0 0				
Income-Tax Reserve, 1941-42	6,400 0 0				
		7,928 7 6			
Paid donations from Members to the Indian Red Cross and St. Dunstan's Funds received as per contra	....	25,944 0 0			
		2,25,828 4 3			
Balance, being excess of Income over Expenditure, transferred to Balance Sheet	....	28,868 5 4			
Total .. Rs.	....	2,54,696 9 7	Total .. Rs.	....	2,54,696 9 7

REPORT OF THE AUDITORS TO THE MEMBERS.

We have audited the foregoing Balance Sheet of the BOMBAY CHAMBER OF COMMERCE as at the 31st day of December 1940, and also the foregoing Income and Expenditure Account for the year ended upon that date, and report that—

(a) we have obtained all the information and explanations which we have required;

(b) in our opinion, the foregoing Balance Sheet and Income and Expenditure Account are drawn up in conformity with the law;

(c) such Balance Sheet exhibits a true and correct view of the state of the Chamber's affairs according to the best of our information and the explanations given to us and as shown by the books of the Chamber, and

(d) in our opinion, books of account have been kept by the Chamber as required by Section 130 of the Indian Companies Act, 1913.

A. F. FERGUSON & Co.,
Chartered Accountants,
Registered Accountants.

BOMBAY, *27th February*, 1941.

C. P. BRAMBLE,
President.

G. S. TAUNTON,
Member of Committee.

C. H. COURTHOPE-MUNROE,
Secretary.

THE BOMBAY CHAMBER OF COMMERCE PROVIDENT FUND.

Statement of Accounts from 1st January to 31st December 1940.

	Rs. a. p.	Rs. a. p.	Rs. a. p.
Balance at Credit on 31st December, 1939	....	....	4,78,705 3 5
Add—			
Subscriptions received from Members	....	11,528 8 0	
Contributions paid by the Chamber of Commerce	....	11,528 8 0	
Interest received and accrued	....	13,731 2 2	
			36,788 2 2
			5,15,493 5 7
Deduct—			
Claims paid to Members (inclusive of interest)	....	1,09,087 6 5	
Non-refundable withdrawals (Rule 28 (4))	....	802 4 0	
Transferred to Lapses and Forfeitures Account	....	58 15 10	
			1,09,948 10 3
Balance at Credit of this Account on 31st December, 1940 ..	....	....	4,05,544 11 4
Add—Lapses and Forfeitures—			
Balance as at 31st December, 1939	13,799 0 5		
Amount Forfeited during the year	58 15 10		
		13,858 0 3	
Less—Loss on conversion of Investments at Maturity	....	1,062 8 0	
			12,795 8 3
			4,18,340 3 7

Held thus—

INVESTMENTS.	Face Value.	Market value on 31st December 1940.	Cost Price.
	Rs.	Rs. a. p.	Rs. a. p.
2½ % 1948-52 Loan	52,000	49,985 0 0	51,634 6 0
3 % 1946 Defence Bonds	80,000	80,000 0 0	80,000 0 0
3 % 1951-54 Loan	52,500	51,646 14 0	52,068 12 0
3 % 1963-65 „	1,33,000	1,23,773 2 0	1,30,611 9 0
3½ % 1947-50 „	27,300	27,863 1 0	26,914 8 0
4 % 1960-70 „	61,500	66,074 1 0	60,386 2 0
	4,06,300	3,99,342 2 0	4,01,615 5 0
Add—Depreciation in value of the above Securities		2,273 3 0	
	4,06,300	4,01,615 5 0	4,01,615 5 0

Interest accrued on Investments and Loans	....	2,860 12 8
Amount due by Members (Since received Rs. 147)	....	1,714 0 0
Cash with the Imperial Bank of India, on Current Account ..	....	12,150 1 11
		4,18,340 3 7

Examined and found correct,

A. F. FERGUSON & Co.,
Chartered Accountants,
Registered Accountants,
Auditors.

C. R. BRAMBLE,
President.

G. S. TAUNTON,
Member of Committee.

C. H. COURTHOPE-MUNROE,
Secretary.

BOMBAY, *27th February*, 1941.

Report

OF THE

Bombay Chamber of Commerce

FOR THE YEAR 1940

CORRESPONDENCE, DOCUMENTS AND STATISTICS

BOMBAY
G. CLARIDGE AND CO., LTD.
1941.

CHAMBER'S ARTICLES OF ASSOCIATION.

SPECIAL GENERAL MEETING.

Proceedings of a Special General Meeting of the Bombay Chamber of Commerce held on Wednesday, 19th February 1941, *at* 12 *o'clock (noon) in the rooms of the Chamber, Mackinnon Mackenzie and Company's Building, Ballard Road, Bombay.*

Present.

MR. C. P. BRAMBLE, M.L.A., (*President of the Chamber*).

Messrs. Greaves Cotton & Co., Ltd.	Mr. A. McIntosh.
Burmah-Shell Oil Storage and Distributing Co. of India, Ltd.	,, G. H. Richmond.
Messrs. Mackinnon Mackenzie & Co.	,, G. S. Taunton.
The National Bank of India, Ltd.	,, D. D. Storrar.
The Bombay Telephone Co., Ltd.	The Hon'ble Mr. R. H. Parker.
Messrs. W. J. Burrows	Mr. W. J. Burrows.
The Anglo-Thai Corporation, Ltd.	,, L. A. Halsall.
Messrs. Craigie, Blunt and Caroe.	,, C. N. Caroe.
The Bombay Gas Company, Ltd.	,, W. T. Lane.
Messrs. Volkart Brothers ..	,, R. Scherer. ,, A. Stiefel.
Messrs. Madhavlal & Co., Ltd. ..	,, Madhavlal M. Bhatt.
The English Electric Co., Ltd. ..	,, J. G. Vecqueray.
The Sun Life Assurance Co., of Canada	,, H. Chamberlain.

Mr. C. H. C. Munroe (*Secretary*) and Mr. H. Royal, M.B.E. (*Assistant Secretary*) of the Chamber.

The PRESIDENT called upon the Secretary to read the notice convening the meeting which was in the following terms :—

Notice is hereby given that an Extraordinary General Meeting of the Bombay Chamber of Commerce will be held at the registered office of the Chamber, Ballard Road, Bombay, on the 19th day of February 1941 at 12 o'clock (noon) (S.T.) when it is intended to propose the sub-joined Resolution as a special resolution.

RESOLUTION.

"That the regulations contained in the printed document submitted to the Meeting and for the purpose of identification subscribed by the Chairman thereof be approved and adopted as the Articles of Association of the Bombay Chamber of Commerce in substitution for, and to the exclusion of, all the existing articles thereof."

In opening the proceedings, the PRESIDENT said :—

GENTLEMEN,—As you were informed by the letter which accompanied the notice convening this meeting, there are two main considerations underlying the proposed change in the Articles.

One is that the method of electing the Committee should comply strictly with the provisions of the Indian Companies Act.

The other is that power should be taken to appoint a Stipendiary President or Vice-President in case it should at any time be found desirable to do so.

On this second point I may say that there is not any particular significance in proposing the change now. Indeed, the question of altering the present Articles was first raised in June 1938. The Committee, with Mr. McIntosh as President, more or less completed the work but not quite in time to get the matter disposed of (the notice required was 3 months) before the holding of the Annual General Meeting. In the next year, when Mr. Hogg was President, the question was raised again and some slight alterations were made but, largely owing to the distractions of the War, it was taken in hand too late to give the necessary 3 months' notice.

So you will see, gentlemen, that the whole question has been deliberated on by no less than three successive Committees of the Chamber.

It was felt desirable to submit to you for your approval fresh Articles as a whole, because the number of consequential changes was great.

I shall be glad to answer, so far as I am able, any questions arising out of the resolution which I will first formally propose :—

"That the regulations contained in the printed document submitted to the Meeting and for the purpose of identification subscribed by the Chairman thereof be approved and adopted as the Articles of Association of the Bombay Chamber of Commerce in substitution for and to the exclusion of, all the existing articles thereof."

MR. A. MCINTOSH seconded the proposition which was supported by MR. W. T. LANE and carried.

Before the meeting closed the PRESIDENT said that the gratitude of members was due to Mr. Halsall for the trouble he had taken as a member of successive Sub-Committees which had considered the Articles and also to Mr. Royal for his work in connection with the revision of the Articles.

The meeting then terminated.

[NOTE.—*The revised Articles of Association, as adopted at the Meeting are, for purposes of record, printed below in full.*]

Articles of Association of the Bombay Chamber of Commerce.

Adopted by Special Resolution of the Chamber passed at Special General Meeting held on the 19th day of February, 1941.

PRELIMINARY.

1. In these Articles, unless there be something in the subject or context inconsistent therewith :—

"The Chamber" means "The Bombay Chamber of Commerce" incorporated under Section 26 of the Indian Companies Act 1913.

"Member" means a member of the Chamber.

"General Meeting" means a general meeting of the Chamber.

"The President" means the President of the Chamber, and unless inconsistent with the context includes a Stipendiary President.

"The Vice-President" means the Vice-President of the Chamber, and unless inconsistent with the context includes a Stipendiary Vice-President.

"The Committee" means the Committee of the Chamber elected in the manner prescribed by these Articles.

"The Secretary" means the Secretary to the Chamber.

2. For the purpose of registration the Chamber is declared to consist of 200 members.

3. The Committee may, when they think fit, register an increase of Members.

4. The Chamber is established for the purposes expressed in the Memorandum of Association.

MEMBERS.

5. Every individual, firm, joint-stock company, or other corporation respectively who or which was a Chamber or an Associate Member of the Chamber on the first day of July 1932, shall *ipso facto* and without election be a member of the Chamber.

6. Merchants, bankers, shipowners, representatives of commercial, railway and insurance companies, brokers, and persons engaged in commerce, agriculture, mining or manufacture and persons engaged in or connected with art, science, literature or law shall be eligible for election as members.

7. Any firm engaged in commerce, agriculture, mining or manufacture and any joint-stock company or other corporation formed for any purpose or object connected with commerce, agriculture, mining or manufacture, may be admitted as a member of the Chamber and the provisions of these Articles relating to persons being candidates for membership and to persons being members of the Chamber shall, where not excluded by the context, apply to firms, joint-stock companies and other corporations *mutatis mutandis*.

8. Any firm, joint-stock company, or other corporation eligible for election as a member may become a member in their conventional or corporate name.

9. The rights and privileges of membership may, in the case of a firm elected in its conventional name as a member, be exercised by any partner in such firm, or by any person authorised by power-of-attorney or letter of procuration to sign the name of the firm, or to sign such name per procuration, and may, in the case of a joint-stock company or other corporation elected a member in its corporate name, be exercised by any responsible officer of such company or corporation.

10. A candidate for election as a member whether an individual, a firm or joint-stock company or other corporation shall be proposed by one and seconded by another member. The proposal form shall be sent to the Secretary and shall state the name and address in full and the nature of the business of the candidate, and in the case of a firm, the names of the partners thereof, and in the case of a joint-stock company or other corporation the names of the Directors, Agents, and/or Managers. In case the candidate shall have been previously proposed and not elected, the fact shall be stated and the number of times if more than one.

11. Upon receipt of an application for election as a member as set forth in Article 10 the Secretary shall bring

it before the Committee at their next meeting, when, if the candidate be eligible for election, the following provisions shall have effect, namely—

(*a*) At least 3 day's notice shall be given to all members stating the name of the candidate, together with the name of his proposer and seconder, and the dates of the opening and closing of the ballot. Voting shall be by papers signed by the members and placed in the box provided for the purpose. Votes will be received up to 3 p.m. on the date fixed for the closing of the ballot. No vote by proxy shall be allowed.

(*b*) The ballot shall be open for seven consecutive days (exclusive of Sunday and all holidays under the Negotiable Instruments Act) which shall be fixed by the Committee.

(*c*) After 3 p.m. on the date fixed for the closing of the ballot, the ballot box shall be opened by the Secretary of the Chamber in the presence of a member of the Committee, nominated by the Committee for this purpose who shall jointly declare in writing the result of the voting.

(*d*) No ballot shall be valid unless at least one-fourth of the members shall have recorded their votes and one negative vote in every six votes recorded shall exclude.

(*e*) If the candidate shall be duly elected, his election shall be notified to him by the Secretary, and upon payment of his subscription, but not before, the candidate shall be entitled to the privileges and advantages of the Chamber.

(*f*) No person, firm, joint-stock company or other corporation who or which on ballot has been excluded, shall be again proposed as a member until after the lapse of six months from the date of ballot.

12. The Committee shall decide any question which may arise as to the eligibility or otherwise under these articles of any candidate for admission as a member and their decision shall be final.

13 Any member may withdraw from the Chamber on the 30th June or the 31st December in each year by giving not less than one calendar month's notice in writing to the Secretary of the intention of such member so to do, and upon the expiration of the notice such member shall cease to be a member. In the case of a member resigning on the 30th June of any year the Committee may at their discretion waive the subscription due by the member for the last six months of the year.

14. In the event of any candidate for election as a member being elected and it appearing subsequently at any time to the satisfaction of the Committee that any statement in the proposal form was incorrect in any material particulars, the Committee may cancel the election and the member shall thereupon cease to be a member of the Chamber but may be proposed again.

15. A firm shall cease to be a member upon any change being made in its conventional name if such change shall be occasioned by the admission or retirement or death of a partner. A joint-stock company shall cease to be a member upon any change being made in its corporate name, unless such change shall have been effected under the provisions of Section 11 of the Indian Companies Act, Section 19 of the English Companies Act or any similar statutory enactment. A corporation shall cease to be a member upon any change being made in its conventional or corporate name unless in the opinion of the Committee the change in the conventional or corporate name does not carry with it any change in its constitution or identity other than the change of name.

16. Any individual, firm, company or corporation being a member shall be deemed to be ineligible to continue as, and shall *ipso facto* cease to be a member, if the individual,

or, in the case of a firm, any member or members thereof is or are a subject or subjects of a State which is at any time at war with Great Britain or the British Empire, and in the case of a company or corporation, if that company or corporation be incorporated or constituted under the laws of a State which is at any time at war with Great Britain or the British Empire, or if the Central Government has declared or shall declare that company or corporation an enemy firm or has ordered or shall order that all its property shall vest in the Custodian of Enemy Property.

17. A member being an individual shall cease to be a member if such member shall be declared an insolvent.

18. A member being a firm shall cease to be a member of the Chamber if the firm shall be adjudicated insolvent. A member being a company or corporation shall cease to be a member if an effective resolution shall be passed or an order made by a competent Court for the winding up of the company or corporation.

19. A majority of three-fourths of the members present and entitled to vote and voting at an annual or special general meeting of the Chamber may by resolution expel any member. Any such person, firm, company or corporation shall, from the passing of such resolution, cease to be a member of the Chamber.

20. A firm, joint-stock company or other corporation which shall be expelled under the last preceding article shall be eligible for re-election after the expiry of one year from the date of expulsion provided not less than three members in addition to the proposer and seconder concur in the proposal for re-election.

21. An individual who shall be expelled under Article 19 shall not be eligible for re-election.

22. The annual subscription of each member shall be Rs. 360 and shall, unless and until otherwise directed by the Committee, be payable half-yearly on the 1st January and 1st July respectively. On election a member shall in

respect of the half year in which he has been elected pay such subscription only as represents a sum calculated at the rate of Rs. 30 a month commencing from the 1st day of the month in which he is elected down to the 30th June or the 31st December, then next as the case may be.

23. Any member whose subscription shall be three months in arrear, and who shall not pay such arrears within one month after written notice calling for such payment, shall cease to be a member and the name of such defaulting member shall be removed by the Committee from the list of members. A member whose subscription is three months in arrear may not vote, and if he votes his vote shall not be counted.

24. Any member who shall by any means cease to be a member shall nevertheless remain liable for and shall pay to the Chamber all moneys which at the time of such member ceasing to be a member may be due from such member to the Chamber.

Honorary Members.

25. Officials and others indirectly connected with the trade, commerce or manufactures of India or who may have rendered distinguished service to the interests represented by the Chamber may be elected by the Committee Honorary Members of the Chamber.

26. Strangers visiting the Presidency may be admitted by the Committee as Honorary Members for a period not exceeding two months on the proposal of any member whether a member of the Committee or not.

27. Honorary Members shall be entitled to receive the last published report of the Committee and to attend and speak but not to vote at any general meeting held during their membership and may upon the invitation of the President, Vice-President or Chairman, as the case may be, attend under the like conditions any meeting of the Committee or of any depa mental committee or sub-committee.

28. Honorary Members shall not be required to subscribe to the funds of the Chamber.

REGISTER OF MEMBERS.

29. A list or register of members shall be kept in which shall be set forth the names, occupations, nationalities (in the case of a company or corporation the place of registration) and address of the members, for the time being, and in which all changes in membership from time to time taking place shall be recorded. The Committee shall at any time be empowered to call upon any member being a firm to declare the nationalities of the partners for the time being constituting the firm and being a company or corporation of the Directors, Managers and/or Agents for the time being thereof.

OFFICERS.

30. There shall be the following officers of the Chamber, namely, a President or Stipendiary President, Vice-President or Stipendiary Vice-President and until otherwise determined by a General Meeting seven ordinary members of Committee, a Secretary, an Assistant Secretary and an Auditor. The officers of the Chamber, with the exception of the Secretary, Assistant Secretary and Auditor and subject to the provisions of Article 32 shall act without remuneration.

31. The Committee shall consist of the President or the Stipendiary President, the Vice-President or the Stipendiary Vice-President and until otherwise determined by a General Meeting the seven ordinary members of the Committee before mentioned who are hereinafter referred to as "the ordinary members of the Committee."

32. The Committee shall have power from time to time to appoint at such remuneration and for such periods and upon such terms and conditions generally as the Committee may approve and (subject to any contract) to remove a Stipendiary President or Vice-President and any such Stipendiary President or Vice-President shall not be liable

to retire at the Annual General Meeting but shall hold office for such period and upon and subject to such terms and conditions as may be expressed in the Resolution of the Committee or any agreement relating to his appointment and accordingly none of the provisions of these Articles relating to the retirement or election of the President or Vice-President shall (in the absence of provision to the contrary in any such Resolution or agreement) apply to a Stipendiary President or Vice-President. A Stipendiary President or Vice-President so long as he continues in office shall be the President or Vice-President of the Chamber to the exclusion of any other person, and shall be deemed to be, for all purposes a Member of the Chamber but shall not be liable to pay any annual subscription.

33. The President and the Vice-President (not being a Stipendiary President or Vice-President) and the Ordinary Members of the Committee shall retire at each Annual General Meeting.

34. Any member, any partner in or person holding a power of attorney or letter of procuration from a firm registered as a member in their conventional name, and any person being a responsible officer of any joint-stock company or other corporation registered as a member in its corporate name, shall be eligible for election as an officer of the Chamber.

35. During the tenure of office as President, Vice-President, or an ordinary Member of the Committee by any partner in or person holding a power of attorney or letter of procuration from a firm registered as a member in their conventional name or during the tenure of office as President, Vice-President, or as an ordinary Member of the Committee by any person being a responsible officer of a joint stock company or other corporation registered as a member in its corporate name, no other partner or person representing the same firm, company or corporation as the case may be, shall be eligible for election or nomination as a member of the Committee.

ELECTION OF COMMITTEE.

36. (*a*) On or about the 1st December in each year the Secretary shall issue a notice to all Members calling upon them to submit within fourteen days the names of any Member or duly qualified person as hereinbefore defined who may be willing to accept office if elected as President for the ensuing year. A retiring President shall be eligible for re-election.

(*b*) If the name of only one gentleman is submitted that gentleman shall be the President for the ensuing year.

(*c*) If the names of more gentlemen than one are submitted then before the 31st December in each year the Secretary shall issue a notice to all members embodying the names thus submitted and shall in such notice state the dates fixed for the opening and closing of the ballot for election of the President.

(*d*) Thereafter a ballot shall be held for the election of the President in accordance with the provisions relating to ballots hereinafter set out and the gentleman who receives the greatest number of votes at such ballot shall be the President for the ensuing year.

(*e*) The name of the gentleman to be President for the ensuing year shall be made known to all members within seven days from the date of the closing of the ballot and he shall take office on the day following the day of the next ensuing annual general meeting.

37. As soon as conveniently may be after the result of the election of the President has been notified to the members, the Secretary shall issue a notice to all members calling upon them to submit within fourteen days the names of any members or duly qualified persons as hereinbefore defined who may be willing to accept office if elected as Vice-President for the following year. A retiring Vice-President shall be eligible for re-election. A gentleman who has previously been a candidate for election as President but has not been elected may be a candidate for election

as Vice-President. Thereafter the headings (*b*), (*c*), (*d*) and (*e*) in the last preceding Article shall be applied as if the same were repeated at length in this Article with the substitution throughout of the words "Vice-President" for the word "President" wherever the same occurs.

38. If there is an equality of votes between two or more candidates at the head of a ballot for election as President or Vice-President respectively a fresh ballot shall be held.

39. The following rules shall be observed with respect to ballots for the election of President or Vice-President, namely :—

(*a*) Seven days interval exclusive of Sunday and any holiday under the Negotiable Instruments Act shall be allowed between the opening and closing of the ballot.

(*b*) Votes shall be received up to 3 p.m. on the day fixed for the closing of the ballot.

(*c*) Voting shall be by paper signed by the members and placed in a box provided for the purpose. No vote by proxy shall be allowed.

(*d*) After 3 p.m. on the day fixed for the closing of the ballot in each case the ballot box shall be opened by the Secretary in the presence of a Scrutineer appointed by the Committee and the Scrutineer shall count the votes.

(*e*) The Scrutineer shall prepare and sign and hand to the Committee a list of the result of the ballot showing the names of the candidates with the votes cast in favour of each, setting out the names in order beginning with the name of the candidate who has received the greatest number of votes.

(*f*) The decision of the Scrutineer as to the validity of any vote shall be final.

(*g*) The death or withdrawal of a candidate before or during the ballot shall not affect the validity

of any votes previously cast or entitle a member to cast a fresh vote.

40. The members of the Chamber present at the General Meeting at which the ordinary members of the Committee retire may fill up the vacated offices other than that of the ordinary member nominated under Article 42 hereof, by electing persons thereto. A retiring ordinary member of the Committee shall be eligible for re-election. If at any meeting at which an election of an ordinary member of the Committee ought to take place the places of any of such vacating members are not filled up the meeting shall stand adjourned to the same day in the next week at the same time and place, and if at the adjourned meeting the places of any of such vacating members are not filled up, such vacating members or such of them as have not had their places filled up shall be deemed to have been re-elected at the adjourned meeting.

41. Not later than seven days before the date on which the notice of the next Annual General Meeting is to be sent out, the Committee in conjunction with the gentlemen if any who have been elected as President and Vice-President for the ensuing year shall select the names of six members or duly qualified persons who shall be willing to serve if elected as ordinary members of the Committee for the ensuing year. The six gentlemen whose names are so selected shall be deemed to have been duly proposed for election at the Annual General Meeting as ordinary members of the Committee and the notice of the meeting shall so state and shall set out their names in alphabetical order.

42. At the Annual General Meeting a vote shall be taken first by a show of hands and then by a poll if duly demanded for or against the election as an ordinary member of the Committee of each of the said six gentlemen whose names are set out in the notice in the order in which their names appear in the notice and in priority to any vote in regard to any other candidature. When six gentlemen have

been elected in such manner as aforesaid no further vote shall be taken.

43. Not later than fourteen days after the date of the Annual General Meeting in each year the Committee shall nominate one other member or duly qualified person to be an ordinary member of the Committee and the gentleman so nominated shall be an ordinary member of the Committee for the year in question and the members shall be notified of the nomination.

44. The new Committee shall take office on the day succeeding the day of the Annual General Meeting and shall continue to act until the close of the day on which the next succeeding Annual General Meeting shall be held.

45. If the President, Vice-President or any ordinary member of the Committee shall be absent from Bombay for a period of two consecutive months, the Committee may declare his office vacant, and he shall thereupon cease to be an officer of the Chamber.

46. If any vacancy shall occur in any year in the office of the President or Vice-President during the interval between two Annual General Meetings the Committee may if such vacancy shall occur within the period of eight weeks prior to the 15th April or to the date on which it has been decided to hold the Annual General Meeting if such date be earlier than the 15th April, and they shall if the vacancy shall not occur within the earlier of the above mentioned periods arrange for an election in the manner laid down above of a President or Vice-President as the case may be and the gentleman so elected shall hold office until the next ensuing Annual General Meeting.

47. The Committee may fill a casual vacancy in the office of an ordinary member of the Committee by electing a duly qualified person thereto.

PRESIDENT.

48. The President shall preside at all meetings of the Committee, at all general meetings and over all deputations. He shall preside at the Annual General Meeting and

address the members on such subjects as he may deem proper to bring to their notice, but such address shall not be taken to represent the views of the Chamber or of the Committee unless such representation is expressly indicated.

49. The President shall also at any time when he shall deem proper communicate to the Chamber or to the Committee such matters, and shall make such suggestions as may in his opinion tend to promote the prosperity and welfare and increase the usefulness of the Chamber, and shall perform such other duties as may be incidental to the office of President.

VICE-PRESIDENT.

50. The Vice-President in the absence of the President shall have the powers and perform the duties of the President.

COMMITTEE.

51. The Committee shall meet at such times as they may deem advisable and make such regulations as they think proper as to the summoning and holding of meetings of the Committee and for the transaction of business at such meetings and the record of their proceedings shall be open to the inspection of the members subject to such regulations as the Committee may from time to time deem expedient.

52. The President, or in his absence the Vice-President shall be ex-officio Chairman of the Committee. In the absence of both President and Vice-President the Committee shall elect their own Chairman. The Chairman shall have an original and in case of equality a casting vote.

53. Three members of the Committee shall form a quorum for the transaction of business.

54. A yearly report of the proceedings of the Committee shall be prepared, printed and circulated for the information of the members of the Chamber at least fourteen days previous to the Annual General Meeting. Such report shall be submitted to the Annual General Meeting for

confirmation and shall be confirmed or otherwise dealt with or disposed of as the meeting shall determine.

55. The management of the business and funds of the Chamber shall be vested in the Committee who, in addition to the powers by these Articles expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Chamber and are not hereby or by law expressly directed or required to be exercised or done by the Chamber in General Meeting.

56. Without prejudice to the general powers conferred by Article 55 hereof the Committee shall have power :—

(*a*) To appoint any departmental committees or sub-committees and such departmental committees or sub-committees may be permanent or temporary or for special purpose as the Committee may determine.

(*b*) To delegate, subject to such conditions as they think fit, any of their powers to departmental committees or sub-committees, and to make, vary and repeal by-laws or rules for the regulation of the proceeding of departmental committees or sub-committees.

(*c*) To make, vary and repeal by-laws or rules for the regulation of the business of the Chamber, of the officers or servants or of the members of the Chamber, or of any department or section of the Chamber.

(*d*) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Chamber.

(*e*) From time to time to appoint, and at their pleasure to remove or suspend, such secretaries, officers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit and to determine their powers

and duties and to fix their salaries, wages, commission or emoluments and to require security in such instances and to such amount as they may think fit.

(*f*) To purchase all articles and things which may from time to time be required by the Chamber and to pay for the same in cash or otherwise as may be deemed expedient.

(*g*) To purchase, take on lease or otherwise acquire any land, building, houses, or other immovable property in the Presidency of Bombay as may be required or deemed expedient for the purposes of the Chamber.

(*h*) To undertake on behalf of the Chamber the payment of all rent and the performance of all covenants, conditions and agreements contained in or reserved by any deed or contract to which the Chamber may be a party, or which may have been assigned to the Chamber, to insure and keep insured, if deemed expedient, all or any of the buildings, articles or other property of the Chamber, to insure against the consequential loss through fire, of the Chamber's revenue and/or standing charges, to execute all deeds, agreements, contracts, receipts and other documents that may be necessary or expedient for the purposes of the Chamber.

(*i*) To commence, institute, prosecute and defend all such actions and suits as the Committee may deem necessary or expedient on the part of the Chamber and to compromise or submit to arbitration the same actions and suits as the Committee in their discretion may think fit.

(*j*) To make and give receipts, and other discharges for money payable to the Chamber and for the claims and demands of the Chamber.

(*k*) To determine the manner in which bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and documents shall be signed or executed by or on behalf of the Chamber.

(*l*) To execute in the name and on behalf of the Chamber in favour of any member of the Committee or other person who may incur or be about to incur any personal liability for the benefit of the Chamber, such mortgages of the Chamber's property (present and future) as they may think fit and any such mortgage may contain a power of sale and such other powers, covenants, and provisions, as shall be agreed upon.

(*m*) To establish and support or aid in the establishment and support of associations, institutions, funds or trusts, calculated to benefit employees or ex-employees of the Chamber or the dependents or connections of such persons and to grant pensions and allowances and to make payments towards insurance and to subscribe, donate or guarantee money for any charitable, patriotic or benevolent purpose or for any exhibition or for any public, general or useful object.

(*n*) To invest and deal with any of the moneys of the Chamber not immediately required for the purpose thereof upon such securities and in such manner as they may think fit and from time to time to vary or realise such investments.

(*o*) From time to time at their discretion to raise or borrow any sum or sums of money for the purposes of the Chamber and to secure the repayment of such moneys in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of debentures or debenture stock of the Chamber, charged upon the property and assets of the Chamber (both present and future).

(*p*) To enter into arrangements upon such terms and subject to such conditions as the Committee may deem desirable for working in connection with any Association organized for the protection or better development of any branch of trade, commerce or manufacture in Bombay or with like objects, that may apply to be allowed to work in connection with the Chamber, provided the objects for which such Association is or shall be formed are not inconsistent with the objects of the Chamber as defined in its Memorandum of Association.

(*q*) To make such by-laws as the Committee may consider expedient for the regulation of the joint working of the business of any Association connected with the Chamber, or for the purpose of defining the terms and conditions of the joint working of the business of such Association or as may from time to time be agreed upon between such Association and the Committee.

SECRETARY.

57. The Secretary shall devote himself entirely to the business and affairs of the Chamber except in cases where he has received the special permission of the Committee. He shall have charge of all correspondence and shall keep an account of the funds of the Chamber and of funds connected with or in any way controlled by the Chamber. He shall keep accurate minutes of all meetings of the Chamber and of the Committee, of the departmental committees and sub-committees and of all Associations connected with the Chamber. He shall have the care of the rooms, furniture, library, pictures and of all documents belonging to the Chamber. He shall give notice of all meetings of the Chamber, of the Committee, of the departmental committees and sub-committees of the Chamber and of all Associations working in connection with the Chamber. He shall duly notify members of their election collect all

dues from members of the Chamber or from any Committee or any Association working in connection with the Chamber. He shall prepare the annual report of the Chamber under the guidance of the Committee and the reports of all Committees and of all Associations connected with the Chamber and generally shall perform all such duties as are incidental to his office.

ASSISTANT SECRETARY.

58. The Assistant Secretary, in the absence of the Secretary, shall perform all or any of the duties of the Secretary and all such of the duties of the Secretary as may be assigned to him from time to time by the Secretary with the sanction of the Committee.

GENERAL MEETINGS.

59. General Meetings of the Chamber shall be held at least once in every year and not more than fifteen months after the holding of the last preceding General Meeting and at such time and place as may be determined by the Committee. The above mentioned General Meetings shall be called Annual General Meetings ; all other General Meetings shall be called Special General Meetings.

60. The Committee may, whenever they think fit, and they shall upon a requisition made in writing by not less than any ten Members of the Chamber, forthwith proceed to convene a Special General Meeting. Any requisition made by the members shall express the objects of the meeting proposed to be called and shall be left at the Registered Office of the Chamber. It must be signed by the requisitionists and may consist of several documents in like form, each signed by one or more requisitionists.

61. Upon the deposit of such requisition, the Committee shall proceed to convene a Special General Meeting to be held within three months from the date of the deposit of the requisition. If they do not proceed to convene the same within twenty-one days after the deposit of the requisition, the requisitionists, or a majority of them, may

themselves convene a Special General Meeting to be held within three months from the date of the deposit of the requisition on such day and at such place as the persons convening the same may determine. Any meeting convened under this Article by the requisitionists shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by the Committee.

62. Save as hereinafter mentioned not less than fourteen days' notice to the members specifying the place, day and hour of Meeting and in case of special business the general nature of such business shall be given either by advertisement or by notice sent by post or otherwise served as hereinafter provided.

63. The accidental omission to give any such notice to any member shall not invalidate any resolution passed at any such meeting.

PROCEEDINGS OF GENERAL MEETINGS.

64. The business of any Annual General Meeting shall be to receive and consider the income and expenditure account, the balance sheet and the reports of the Committee and of the Auditor, to elect six ordinary members of the Committee, to appoint auditors and to transact any other business which, under these presents, ought to be transacted at an Annual General Meeting. All other business transacted at an Annual General Meeting and all business transacted at a Special General Meeting shall be deemed special.

65. No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the meeting proceeds to business.

66. Three members personally present shall be a quorum for a General Meeting for the choice of a Chairman for the meeting in the absence of the President and Vice-President of the Chamber and of all the elected members of the Committee, or in default of any such member being willing to act, the consideration of the accounts and the

report of the Committee and Auditor and for the adjournment of the meeting. Except for these purposes, the quorum of a General Meeting shall be nine members present personally and entitled to vote.

67. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members shall be dissolved, in any other case it shall stand adjourned to such day in the next week and at such time and place as the Committee may appoint.

68. At any adjourned meeting, the members present and entitled to vote whatever their number, shall form a quorum and shall have power to decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place if a quorum had been present.

69. If there be no such Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or shall decline to take, or shall retire from, the chair the elected members of the Committee present shall choose some one of their number to be the Chairman of the meeting and if no such member of the Committee is present, or if all such members of the Committee present decline to take the chair, the members shall choose some one of their number to be Chairman.

70. The Chairman may, with the consent of the meeting, adjourn any meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

71. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with the provisions of Clause (*c*) of sub-section (1) of Section 79 of

the Indian Companies Act 1913 and unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried, or carried unanimously, or by particular majority, or lost, and an entry to that effect in the book of the proceedings of the Chamber shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.

72. If a poll is duly demanded it shall be taken in such manner as the Chairman directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

73. In the case of an equality of votes, whether on a show of hands or on a poll the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.

74. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Chamber not less than 72 hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default the instrument shall not be treated as valid.

75. Thirty days' notice at least, specifying the place, the day and hour of the meeting and the nature of the special business shall be given of any Special General Meeting convened to consider revise or amend the by-laws or rules relating to Arbitrations, or to the Measurement Department of the Chamber or to revise or amend the Chamber's Schedule of Commission Charges or the Chamber's Tonnage Schedule for the Port of Bombay.

76. Ninety day's notice at the least, specifying the place, the day and the hour of meeting and the nature of the special business shall be given of any Special General

Meeting convened to revise, alter or amend the regulations of the Chamber as contained in these Articles of Association.

VOTES OF MEMBERS.

77. Every Member shall have one vote whether on a show of hands or on a poll.

78. Any number of representatives of a firm registered as a Member in its conventional name or of any joint-stock company or other corporation registered as a member in its corporate name may attend any General Meeting but only one of such representatives shall be entitled to vote.

MINUTES.

79. The Committee shall cause minutes to be duly entered in books provided for the purpose :—

(*a*) Of all appointments of officers ;

(*b*) Of the names of the Members of the Committee present at each meeting of the Committee and of any sub-committee ;

(*c*) Of all orders made by the Committee and any sub-committee ;

(*d*) Of all resolutions and proceedings of General Meetings and of meetings of the Committee and any sub-committee ;

and any such minutes of any meetings of the Committee or of any sub-committee of the Chamber if purporting to be signed by the Chairman of such meeting or Chairman of the next succeeding meeting shall be receivable as *prima facie* evidence of the matters stated in such minutes.

ACCOUNTS.

80. The Committee shall cause proper books of account to be kept of the transactions of the Chamber and of the assets, and liabilities thereof, which books of account shall be kept at the Registered Office of the Chamber or at such place or places, and in the charge of such person or persons as the Committee may from time to time direct.

81. The Committee shall from time to time determine whether and to what extent and at what times and places under what conditions and regulations the accounts and books of the Chamber or any of them shall be open to the inspection of the members (not being members of the Committee) and no member (not being a member of the Committee) shall have any right of inspecting any account or book or document of the Chamber except as conferred by law or authorised by the Committee or by the Chamber in General Meeting.

82. At the Annual General Meeting in each year the Committee shall lay before the Chamber an income and expenditure account and balance sheet containing a summary of the property and liabilities of the Chamber made up to a date not more than six months before the meeting from the time when the last preceding account and balance sheet were made up, or in the case of the first account and balance sheet from the incorporation of the Chamber.

83. Every such balance sheet shall be accompanied by a report of the Committee as to the state and condition of the Chamber and as to the amounts (if any) which they may have resolved to carry to Reserve Fund or any Sinking Fund and to depreciation according to the provisions in that behalf hereinbefore contained and the statement, report, and balance sheet shall be signed by at least two members of the Committee and countersigned by the Secretary.

84. The income and expenditure account shall in addition to the matters referred to in sub-section (3) of Section 132 of the Indian Companies Act, 1913, show, arranged under the most convenient heads, the amount of gross income, distinguishing the several sources from which it has been derived, and the amount of gross expenditure distinguishing the expenses of the establishment, salaries and other like matters. Every item of expenditure fairly chargeable against the year's income shall be brought into account, so that a just balance of profit and loss may be laid before the meeting and, in cases where any item of

expenditure which may in fairness be distributed over several years has been incurred in any one year, the whole amount of such item shall be stated, with the addition of the reasons why only a portion of such expenditure is charged against the income of the year.

85. A printed copy of such account and a balance sheet and report of the Committee and Auditors shall at least fourteen days previous to the meeting, be served on every member of the Chamber in the manner in which notices are hereinafter directed to be served and a copy shall also be deposited at the Registered Office of the Chamber for the inspection of members during a period of at least fourteen days before the meeting.

AUDIT.

86. Once at least in every year the accounts of the Chamber shall be examined and the correctness of the Income and Expenditure Account and balance sheet ascertained by one or more Auditor or Auditors.

87. The Chamber at each Annual General Meeting shall appoint an Auditor or Auditors to hold office until the next Annual General Meeting and the following provisions shall have effect, that is to say :—

(*a*) If an appointment of Auditor is not made at an Annual General Meeting, the Government of Bombay may, on the application of any member of the Chamber, appoint an Auditor for the current year and fix the remuneration to be paid to him by the Chamber for his services.

(*b*) A member of the Committee or other officer of the Chamber and a partner of such member or officer and any person in the employment of such member or officer shall not be capable of being appointed an Auditor of the Chamber.

(*c*) A person other than a retiring Auditor shall not be capable of being appointed Auditor at an

Annual General Meeting unless notice of intention to nominate such person to the office of Auditor shall have been given by a member to the Secretary not less than fourteen days before the meeting and the Secretary shall send a copy of any such notice thereof to the members either by advertisement or in any other manner allowed by the Articles not less than seven days before the meeting.

Provided that if after notice of the intention to nominate an Auditor has been so given, an Annual General Meeting is called for a date fourteen days or less after the notice has been given, the notice though not given within the time required by this provision shall be deemed to have been properly given for the purpose thereof, and the notice to be sent or given by the Chamber may, instead of being sent or given within the time required by this provision be sent or given at the same time as the notice of the Annual General Meeting.

(*d*) The first Auditors of the Chamber may be appointed by the Committee, and if so appointed shall hold office until the first Annual General Meeting unless previously removed by a resolution of the members in General Meeting in which case the members at that meeting may appoint Auditors.

(*e*) The Committee may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditor or Auditors (if any) may act.

88. The remuneration of the Auditors shall be fixed by the Chamber in General Meeting except that the remuneration of any Auditor appointed to fill any casual vacancy may be fixed by the Committee.

89. Every Auditor of the Chamber shall have a right of access at all times to the books and accounts and vouchers

of the Chamber and shall be entitled to require from the Committee and Officers of the Chamber such information and explanations as may be necessary for the performance of the duties of the Auditors.

90. The Auditors shall make a report to the members on the accounts examined by them, and on every balance sheet laid before the Chamber in General Meeting during their tenure of office and in every such report shall state :—

(*a*) Whether or not they have obtained all the information and explanation they have required, and

(*b*) Whether, in their opinion, the balance sheet referred to in the report is properly drawn up so as to exhibit a true and correct view of the state of the Chamber's affairs according to the best of their information and the explanations given to them and as shown by the books of the Chamber.

91. The report of the Auditors shall be attached to the balance sheet or there shall be inserted at the foot of the balance sheet a reference to the report and the report shall be read before the Chamber in General Meeting.

92 Every account of the Committee when audited and approved by a General Meeting, shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period the account shall forthwith be corrected and thenceforth shall be conclusive.

NOTICES.

93. A notice may be given by the Chamber to any member either personally or by sending it by post to him to his registered address or (if he has no registered address in British India) to the address, if any, within British India supplied by him to the Chamber for the giving of notices to him.

94. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice and, unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of post.

95. If a member has no registered address in British India, and has not supplied to the Chamber an address within British India for the giving of notices to him a notice addressed to him and advertised in a newspaper circulating in the neighbourhood of the registered office of the Chamber shall be deemed to be duly given to him on the day on which the advertisement appears.

96. Notice of every General Meeting shall be given in some manner hereinbefore authorised to every member of the Chamber except those members who (having no registered address within British India) have not supplied to the Chamber an address within British India for the giving of notices to them.

SEAL.

97. The Committee shall forthwith provide a common seal for the purpose of the Chamber and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof and shall provide for the safe custody of the seal for the time being and it shall not be used except by the authority of the Committee and in the presence of the President or Vice-President of the Chamber.

98. Deed bonds and other contracts under seal made on behalf of the Chamber sealed with the common seal of the Chamber and signed by the President or Vice-President and countersigned by the Secretary or the person acting as Secretary shall be deemed to be duly executed.

CHAMBER'S ARBITRATION BY-LAWS.

SPECIAL GENERAL MEETING.

Proceedings of a Special General Meeting of the Bombay Chamber of Commerce held on Wednesday, 19th February 1941, *at* 12-5 *p.m., in the rooms of the Chamber, Mackinnon Mackenzie and Company's Building, Ballard Road, Bombay.*

Present

MR. C. P. BRAMBLE, M.L.A., President of the Chamber.

Messrs. Greaves Cotton & Co., Ltd.	Mr. A. McIntosh.
Burmah-Shell Oil Storage and Distributing Co. of India, Ltd.	,, G. H. Richmond.
Messrs. Mackinnon Mackenzie & Co.	,, G. S. Taunton.
The National Bank of India, Ltd.	,, D. D. Storrar.
The Bombay Telephone Co., Ltd.	The Hon'ble Mr. R. H. Parker.
Messrs. W. J. Burrows	Mr. W. J. Burrows.
The Anglo-Thai Corporation, Ltd.	,, L. A. Halsall.
Messrs. Craigie, Blunt & Caroe .	,, C. N. Caroe.
The Bombay Gas Co., Ltd. ..	,, W. T. Lane.
Messrs. Volkart Bros.	,, R. Scherer. ,, A. Stiefel.
Messrs. Madhavlal & Co., Ltd. .	,, Madhavlal M. Bhatt.
The English Electric Co., Ltd. .	,, J. G. Vecqueray.
The Sun Life Assurance Co. of Canada	,, H. Chamberlain.

MR. C. H. C. MUNROE (Secretary) and MR. H. ROYAL, M.B.E. (Assistant Secretary) of the Chamber.

THE PRESIDENT called upon the Secretary to read the notice convening the meeting which was in the following terms :—

Notice is hereby given that a Special General Meeting of the Bombay Chamber of Commerce will be held at the registered office of the Chamber, Ballard Road, Bombay, on Wednesday, the 19th day of February 1941 at 12-5 p.m., for the purpose of amending the By-laws to regulate the Arbitration of Commercial Disputes by the Chamber, in the manner set forth in the circular issued to all members on the 16th January 1941.

THE PRESIDENT said :—

Gentlemen,—These amendments which have also been necessitated by a change in the law of the land would require little explanation but for the fact that the fifth one obviously represents a second thought on the part of the Committee, and your curiosity may be whetted.

The existing By-law 10 appears to give the arbitrators the power to refuse at their discretion to hear any oral evidence. Whether it really gives that power is a matter of opinion. The fact is that arbitrators acting under the Chamber's By-laws have in the past found it convenient to maintain that they possessed the power. And the Committee asked the Chamber's Solicitors to redraft the By-law to make the arbitrators' position quite secure.

This was done—in the terms of the original amendment. On reconsideration, however, of all the aspects of the matter the Committee decided not to seek to exclude oral evidence. The result is before you in an amendment which would simply delete By-law 10.

I propose if the meeting agrees to put all the amendments together.

This was agreed to.

The President then proposed that—

(1) In By-law No. 3 for the word "submission" in line 5 the words "arbitration agreement" shall be substituted.

(2) In By-law No. 6 the words "not being an interim award" shall be inserted between the words "award" and "upon" in line 3

(3) In By-law No. 7 for the words "If an arbitrator or umpire decline or fail to act or if he die or become incapable of acting" the following shall be substituted, viz., "If either of the appointed arbitrators or umpire neglects or refuses to act or is incapable of acting or dies."

(4) In By-law No. 7 for the words "Indian Arbitration Act" the words "Arbitration Act 1940" shall be substituted.

(5) By-law No. 10 shall be deleted.

MR. STORRAR seconded the proposition.

MR. L. A. HALSALL enquired whether the effect of the deletion of By-law 10 would be that arbitrators would not be in a position to refuse to hear oral evidence if they did not consider such oral evidence necessary. He quoted a recent case in which he had acted as one of the arbitrators when both the arbitrators felt that the case would not be advanced in any way by the taking of oral evidence, but on the insistence of the parties they had to call a meeting of the parties.

THE PRESIDENT stated that by the deletion of the By-law the arbitrators would have to take oral evidence if either or both of the parties desired to tender such evidence but it did not take away from the arbitrators the right of refusing to receive further oral evidence when they considered that what they had heard was sufficient for them to come to a right judgment.

The Resolution was carried and the meeting terminated.

NATIONAL SERVICE FOR EUROPEAN BRITISH SUBJECTS.

INDIA ACT NO. XVIII OF 1940.

(As amended by the National Service (European British Subjects) Ordinance, 1940 (No. V of 1940).

An Act to make certain provisions relating to service by European British Subjects "in the armed forces of the Crown and in civilian employment."

Whereas it is expedient to make certain provisions relating to service by European British subjects in the armed forces of the Crown and in civilian employment.

It is hereby enacted as follows:—

1. *Short title, extent and commencement.*—(1) This Act may be called the National Service (European British Subjects) Act, 1940.

(2) It extends to the whole of British India, and applies also to European British subjects in any part of India.

(3) It shall come into force at once.

2. *Definitions.*—In this Act, unless there is anything repugnant in the subject or context—

(*a*) "competent authority" means, with reference to any person liable under this Act to be called up for "national service," the Officer Commanding the military district, or Independent Area, or Sind Area or Delhi Area, as the case may be, in which that person is for the time being resident;

(*b*) "European British subject" means any subject of His Majesty of European descent in the male line born, naturalised or domiciled in the British Islands or in any Dominion as defined in the Statute of Westminster, 1931, or in any Colony except Ceylon;

(*c*) "prescribed" means prescribed by rules made under this Act.

(*d*) "national service" means service in the armed forces of the Crown or "in a civilian capacity in pursuance of a notice issued under section 7."

3. *Liability to be called up for national service.*—(1) Every male European British subject for the time being in India, not being—

(*a*) a person in holy orders, or a regular minister of any religious denomination, or

(*b*) a member of His Majesty's regular Naval, Military or Air Forces, or a member of any Reserve of any such force who is liable under his terms of service

in such Reserve to be called up for service at any time and not only on partial or general mobilisation, or

(*c*) a servant of the Crown, or

(*d*) a person not included in clause (*c*) who is serving in the service of a federal railway or an Indian State railway or a minor railway as defined in the Government of India Act, 1935,

shall be liable under this Act to be called up for national service.

(2) A person liable to be called up for "national service" under this Act shall remain so liable until he has completed his fiftieth year and no longer.

4. *Calling up for national service.*—(1) The competent authority may, after consultation with the National Service Advisory Committee constituted under section 5, cause to be served on any person, for the time being liable under this Act to be called up for "national service," a written notice (hereinafter referred to in this Act as a "preliminary notice") stating that he is called up for enquiry into his fitness and availability for national service and requiring him to present himself to such person and at such place and at such time (not earlier than the seventh day after the date of the service of the notice) as may be specified in the notice, and to submit himself to examination by the National Service Advisory Committee constituted under section 5.

(2) Where a notice under sub-section (1) has been duly served on any person, the competent authority may, at any time while that person remains liable under this Act to be called up for "national service," cancel the notice and cause to be served on him a further notice varying the original notice.

(3) A "preliminary notice" served on any person shall cease to have effect if, before the date on which he is thereby required to present himself, he ceases to be liable under this Act to be called up for "national service."

(4) Such travelling and other allowances as may be prescribed shall be paid by the competent authority to any person required to present himself in accordance with any notice under this section.

5. *National Service Advisory Committees.*—(1) The Central Government shall constitute for such areas and in such places as it thinks fit committees (in this Act referred to as National Service Advisory Committees) to exercise the functions assigned to such committees by this Act.

(2) Each National Service Advisory Committee shall consist of not less than four members of whom one shall be an officer of one of His Majesty's Forces in India appointed by the competent authority and the others shall be European British subjects, not being servants of the Crown, appointed by the Central Government.

(3) The Chairman of the Committee shall be appointed by the Committee.

(4) A National Service Advisory Committee shall have power to co-opt as additional members for such time or purpose as it thinks fit any persons qualified for appointment to the Committee by the Central Government.

(5) A National Service Advisory Committee may meet at such times and places as it thinks fit and shall meet when required to do so by the Central Government or by the competent authority.

(6) The Chairman of the Committee and any one other member of the Committee shall constitute a quorum.

(7) A National Service Advisory Committee shall have the powers of a Civil Court for the purpose of receiving evidence, administering oaths, enforcing the attendance of witnesses, and compelling the discovery of documents, and shall be deemed to be a Civil Court within the meaning of sections 480 and 482 of the Code of Criminal Procedure, 1898 (V of 1898).

(8) A National Service Advisory Committee may order any person called up for enquiry under sub-section (1)

of section 4 to submit himself to be examined by a medical officer of the armed forces, and if he questions the decision of that officer, to appear before a medical board convened under military regulations.

6. *Functions of National Service Advisory Committees.*—The following shall be the functions of National Service Advisory Committees, namely :—

(*a*) when consulted by the competent authority, to advise that authority on the exercise of that authority's powers under sub-section (1) of section 4 ;

(*b*) to examine the case of any person ordered under section 4 to present himself for enquiry, and to report to the competent authority—

(*i*) whether such person is fit for service in the armed forces or is fit for service in a civilian capacity only, or in both,

(*ii*) whether such person is or is not available for national service (i.e. can be spared without detriment to the public interest from his existing employment),

(*iii*) where such person claims that he conscientiously objects to performing military service, whether the claim made is or is not established,

(*c*) when consulted by the Central Government, to advise the Central Government on any matter arising out of this Act which the Central Government may refer or is required by this Act to refer to the Committee.

6A. *Conscientious objection to military service.*—(1) If any person liable under this Act to be called up for national service claims that he conscientiously objects to performing military service, he shall, upon receipt of the preliminary notice issued under sub-section (1) of section 4 and not later than the date specified in that notice as the date on

which he is to present himself for submission to examination by the National Service Advisory Committee, prefer such claim, in such form and with such particulars as may be prescribed, to the competent authority and the competent authority shall submit the claim to the National Service Advisory Committee.

(2) The National Service Advisory Committee shall record in writing a finding with the reasons therefor, whether the claim is or is not established, and a copy of such finding shall be supplied to the claimant.

(3) If the National Service Advisory Committee finds that such claim is established the claimant shall not be liable to be called up for service in the armed forces of the Crown.

(4) Any claimant aggrieved by a finding of the National Service Advisory Committee that such claim is not established may, within seven days from the date on which he receives the copy of the finding, appeal to the Tribunal constituted under section 9, and, if that Tribunal reverses the finding of the National Service Advisory Committee, the claimant shall not be liable to be called up for service in the armed forces of the Crown.

7. *Calling-up for service.*—(1) The competent authority may cause to be served on any person, who is liable under this Act to be called up for national service and whose case has been examined and reported on by the National Service Advisory Committee, a written notice (hereinafter referred to in this Act as a calling-up notice) stating that he is called up for service in such one of His Majesty's armed forces as may be specified in the notice, or for service in such civilian capacity whether under the Crown or otherwise as may be so specified, and requiring him to present himself at such place and time (not earlier than the seventh day after the date of the service of the notice) and to such authority as may be so specified ; and, subject to the following provisions of this Act, the person upon whom the notice is served shall, when the notice

states that he is called up for service in one of His Majesty's Forces, be deemed as from the day so specified to have been duly entered or enlisted for service in the force so specified, and, when the notice states that he is called up for service in a civilian capacity, be legally bound as from the day so specified to obey any directions given by the authority so specified as to his entering employment in a civilian capacity.

(2) A notice under sub-section (1) calling up a person for service in a civilian capacity shall be issued by the competent authority only at the request of, or otherwise in consultation with, an officer (or officers) empowered by the Central Government for the purposes of this sub-section to authorise such issue, and the authority specified in such notice as that to which the person called up shall present himself shall be such authority as that officer (or those officers) may direct.

(3) Where a calling-up notice has been duly served on any person, the competent authority may, at any time while that person remains liable under this Act to be called up for national service, cancel the notice and cause to be served on him a further notice varying the original notice.

(4) A calling-up notice served on any person shall cease to have effect if, before the date on which he is thereby required to present himself, he ceases to be liable under this Act to be called up for national service.

(5) Such travelling and other allowances as may be prescribed shall be paid by the competent authority to any person required to present himself in accordance with a calling-up notice.

7A. *Appeals in connection with calling-up notices.*—(1) Where a calling-up notice is served under section 7 upon any person who has been reported by the National Service Advisory Committee to be not available for national service, a copy of the notice shall at the same time be served upon his employer, and that person, himself or the employer of that person may, at any time before the seventh day

from the service of the notice, appeal against the order to the Tribunal constituted under section 9.

(2) Where a calling-up notice is served under section 7 upon any person who has been reported by the National Service Advisory Committee to be available for national service, a copy of the notice shall be served at the same time on his employer, if any, and that person himself or the employer, if any, of that person may, at any time before the seventh day from the service of the notice, appeal against the order to the Tribunal constituted under section 9.

(3) Any person, on whom a calling-up notice under section 7 is served, may, without prejudice to the provisions of sub-section (1) and sub-section (2), at any time before the seventh day from the service of the notice, appeal to the Tribunal constituted under section 9 on the ground that he is not fit for the service for which he is called up.

(4) Pending the disposal of an appeal under this section, the notice under section 7 shall be deemed to be suspended, and if the Tribunal decides that such person is not available for national service or is not fit for the service specified in the notice, as the case may be, the notice shall be cancelled.

7B. *Terms of service of persons entering civilian employment.*—(1) When any person is called up under section 7 for service in a specified civilian capacity, his terms of service in such capacity shall be laid down by the competent authority in each case, subject to such conditions as may be prescribed, and such conditions may provide for the preservation of any rights which the person called up may have under any provident or superannuation fund or other scheme for the benefit of employees maintained in connection with the employment he relinquishes.

(2) Such person himself, or the employer under whom he enters employment in pursuance of the notice issued under section 7, may appeal to the Tribunal constituted under section 9 against any decision of the competent authority under sub-section (1), and the decision of the said

Tribunal shall be final; but pending the disposal of any such appeal the notice under section 7 shall, unless the competent authority otherwise directs, continue to be of full force and effect.

7C. *Preservation of certain rights of persons called up for service in His Majesty's Forces.*—When any person called up under section 7 for service in one of His Majesty's Forces has any rights under any provident or superannuation fund or other scheme for the benefit of employees maintained in connection with the employment he relinquishes, he shall continue so long as he remains in His Majesty's Forces to have in respect of such fund or scheme such rights as may be prescribed.

8. *Reinstatement.*—It shall be the duty of any employer by whom a person who has neen called up under this Act for national service or by whom a European British subject who has been called out for service in the Reserve of His Majesty's Regular Naval, Military or Air Forces at any time after the 2nd day of September 1939, and before the termination of hostilities, or by whom a person subject to this Act who with the consent of his employers was between the 2nd day of September 1939, and the coming into force of this Act granted an emergency commission or enlisted in His Majesty's armed forces or accepted for training as a cadet at an officers' training school, was employed, to reinstate him in his employment at the termination of that service, in an occupation and under conditions not less favourable to him than those which would have been applicable to him had he not been so taken into service as aforesaid :

Provided that if for any reason the reinstatement of such person or member is represented by the employer to be impracticable, either party may refer the matter to a Tribunal constituted under section 9 and that tribunal shall after consideration pass an order either exempting the employer from the provisions of this section or requiring him to re-employ such person or member on such terms as

it thinks suitable, or requiring him to pay to such person or member a sum in compensation for failure to re-employ not exceeding an amount equal to six months' remuneration at the rate at which his last remuneration was payable to him by the employer; and if any employer fails to obey the order of the tribunal, he shall be punishable with a fine which may extend to one thousand rupees; and the Court by which an employer is convicted under this section may order him (if he has not already been so required by the tribunal) to pay the person whom he has failed to re-employ a sum not exceeding an amount equal to six months' remuneration at the rate at which his last remuneration was payable to him by the employer, and any amount so required by the tribunal to be paid or so ordered by the Court to be paid shall be recoverable as if it were a fine imposed by such court:

Provided further that in any proceedings under this section it shall be a defence for an employer to prove that the person formerly employed by him did not apply to the employer for reinstatement within a period of two months from the termination of the national service "for which he was called up under this Act.

9. *Tribunals.*—(1) The Central Government shall constitute for such areas and in such places as it thinks fit tribunals to hear and decide any matters referred to it under the proviso to section 8, and any appeals made to it under sub-section (4) of section 6A or section 7A or section 7B.

(2) Each tribunal shall consist of three members to be nominated by the Central Government, of whom one who shall be Chairman of the tribunal shall be a member of a Civil Service of the Crown not lower in status than a District and Sessions Judge, one shall be a military officer not below the rank of Brigadier, and one shall be a European British Subject, not being a servant of the Crown.

(3) No person serving as a member of a National Service Advisory Committee constituted under section 5 shall while so serving be a member of a tribunal.

(4) A tribunal may meet at such times and places as it thinks fit and shall meet when required to do so by the competent authority.

(5) The Chairman of the Tribunal and any one other member of the Tribunal shall constitute a quorum.

(6) A tribunal shall have the powers of a Civil Court for the purposes of receiving evidence, administering oaths, enforcing the attendance of witnesses and compelling the discovery and production of documents, and shall be deemed to be a Civil Court within the meaning of sections 480 and 482 of the Code of Criminal Procedure, 1898 (V of 1898).

10. *Penalties and procedure.*—(1) Whoever wilfully fails to comply with any notice issued under section 4 " or section 7 " or with any order given under " sub-section (8) of section 5, or with any direction given by the authority specified in a notice issued under section 7 as to his entering employment in a civilian capacity," shall be punishable with imprisonment which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

(2) Whoever, having entered civilian employment in pursuance of a direction given by the authority specified in a notice issued under section 7, leaves that employment without the permission of the competent authority shall be punishable with imprisonment which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

(3) Whoever, being an employer under whom any person enters employment in a civilian capacity in pursuance of a notice issued under section 7, fails to comply in all respects with the terms of service laid down under section 7B in respect of such person, shall, without prejudice to any civil liability incurred by such failure, be punishable with imprisonment which may extend to six months, or with fine which may extend to one thousand rupees, or wtih both.

(4) No Court inferior to that of a Presideney Magistrate or a Magistrate of the first class shall try any offence under this Act.

11. *Service of Notice.*—Any notice to be served on any person for the purposes of this Act may be sent by post addressed to that person at his last known address.

11A. *Bar of legal proceedings.*—No suit or other proceeding shall lie in any Court in respect of anything done or in good faith intended to be done under this Act.

12. *Power to make rules.*—(1) The Central Government may, by notification in the official *Gazette*, make rules for the purpose of giving effect to the provisions of this Act.

(2) Without prejudice to the generality of the foregoing power, the Central Government may make rules prescribing the forms of the notices referred to in sub-section (1) of section 4 and sub-section (1) of section 7, the amount and manner of payment of the allowances referred to in sub-section (4) of section 4 and sub-section (5) of section 7, the form of and the particulars to be contained in a claim preferred under section 6A, the conditions referred to in sub-section (1) of section 7B, the rights to be prescribed under section 7C and the procedure to be followed in appeals under sub-section (4) of section 6A or section 7A or section 7B or references under the proviso to section 8 to a Tribunal.

(3) In making any rule under this section the Central Government may provide that a contravention of the rule shall be punishable with imprisonment for any term not exceeding six months or with fine not exceeding one thousand rupees, or with both.

13. *Act not to apply to certain persons*—Nothing in this Act shall apply to any person—

(*a*) for the time being confined in a prison or a lunatic asylum, or

(*b*) who is under the age of eighteen or over the age of fifty.

NATIONAL SERVICE FOR TECHNICAL PERSONNEL

ORDINANCE No. II OF 1940.

(As amended by Ordinance No. XI of 1940.)

An Ordinance to give power to control the employment and distribution of technical personnel in British India.

Whereas an emergency has arisen which renders it necessary to take power to require industrial undertakings to release technical personnel for employment in factories under the Crown or declared to be engaged on work of national importance, and to require technical personnel to undertake employment in any such factory;

Now, therefore, in exercise of the powers conferred by section 72 of the Government of India Act, as set out in the Ninth Schedule to the Government of India Act, 1935, the Governor-General is pleased to make and promulgate the following Ordinance :—

1. *Short title, extent and commencement.*—(1) This Ordinance may be called the National Service (Technical Personnel) Ordinance, 1940.

(2) It extends to the whole of British India, and applies also to Indian British subjects in any part of India.

(3) It shall come into force at once.

2. *Definitions.*—In this Ordinance, unless there is anything repugnant in the subject or context,—

(*a*) "technical personnel" includes all persons normally employed in any of the capacities specified in the Schedule, and any person whom a Tribunal may declare to be normally employed in any such capacity, but does not include any person who is not liable under section 3 to undertake employment in the national service;

(*b*) "factory" means a factory as defined in clause (*j*) of section 2 of the Factories Act, 1934 (XXV of 1934).

(*c*) "Indian British subject" means any subject of His Majesty in India except a British subject of European descent in the male line born, naturalised or domiciled in the British Islands or in any Dominion as defined in the Statute of Westminster, 1931, or in any colony except Ceylon;

(*d*) "industrial undertaking" means any concern engaged in—

(*i*) the manufacture or production of any article or commodity,

(*ii*) the supply or distribution of light, power or water, or

(*iii*) the supply or maintenance of any form of mechanised transport other than air transport;

(*e*) "employment in the national service" means employment in a notified factory in pursuance of an order passed under clause (*b*) of section 7 or in a notified factory, training establishment or technical post under the Crown in pursuance of an order passed under section 10;

(*f*) "notified factory" includes any factory under the Crown and any factory declared by notification under section 4 to be engaged on work of national importance;

(*g*) "prescribed" means prescribed by rules made under this Ordinance;

(*h*) "Special Tribunal" means a Special Tribunal constituted by the Central Government under section 12;

(*i*) "technical post under the Crown" means any post under the Crown the holder of which is required to possess a knowledge of one or more of the trades specified in the Schedule;

(*j*) "training establishment" means any technical institution or training centre established, selected or approved by the Central Government for the training of technical personnel;

(*k*) "Tribunal" means a National Service Labour Tribunal constituted by the Central Government under section 5.

3. *Liability for employment in the national service.*—All technical personnel over the age of eighteen and under the age of fifty years, being Indian British subjects, and not being members of His Majesty's regular Naval, Military or Air Forces, or members of any Reserve of any such Force, who are liable under their terms of service in such Reserve to be called up for service at any time and not only on partial or general mobilization, shall be liable under this Ordinance to undertake employment in the national service:

Provided that no person in the service of the Crown shall be so liable except with the written consent of the Government under which he is serving.

4. *Notified factories.*—(1) The Central Government may, by notification in the official Gazette, declare any factory, which is engaged in the production of munitions or other war supplies or in work which, in the opinion of the Central Government, is likely to assist the efficient prosecution of the war, to be a factory engaged on work of national importance, and thereupon such factory shall be a notified factory.

(2) Every notified factory shall be eligible to apply to a Tribunal or to the Central Government for technical personnel and, having so applied, shall take into its employment such technical personnel within such period and on such terms and conditions as the Tribunal or the Central Government, as the case may be, may direct.

5. *National Service Labour Tribunals.*—(1) The Central Government shall constitute for such areas and in such places as it thinks fit National Service Labour Tribunals

(in this Ordinance referred to as Tribunals) to exercise the functions assigned to such Tribunals by this Ordinance.

(2) A Tribunal shall consist of a Chairman and not less than two other members all of whom shall be servants of the Crown and shall be appointed by the Central Government.

Provided that for the purposes of this sub-section officers of Company-managed railways shall be deemed to be servants of the Crown.

(3) The chairman and any one member of the Tribunal shall constitute a quorum.

(4) A Tribunal shall have power to associate with itself in its deliberations such other persons as it thinks fit under such conditions as may be prescribed.

(5) A Tribunal may meet at such times and places as it thinks fit and shall meet when required to do so by the Central Government.

(6) A Tribunal shall have the powers of a Civil Court for the purpose of recording evidence, administering oaths, enforcing the attendance of witnesses and compelling the discovery and production of documents, and shall be deemed to be a Civil Court within the meaning of sections 480 and 482 of the Code of Criminal Procedure, 1898 (Act V of 1898).

(7) A Tribunal may order any person, included within the definition of technical personnel, to submit himself to be examined by such medical authority as may be prescribed.

6. *Inquiries by Tribunals.*—(1) A Tribunal may, subject to any rules made in this behalf under section 19, take steps to ascertain particulars of the technical personnel employed in any industrial undertaking (including a notified factory), the suitability of such personnel for employment in the national service, and the capacity of the undertaking to release such personnel or any part thereof for such employment, having regard to the nature of the work in which such personnel or part is engaged.

(2) For the purposes of sub-section (1), the Tribunal may—

(*a*) summon the owner or manager of any industrial undertaking or any employee of such undertaking to appear before it and furnish such information as it may require,

(*b*) authorise one of its members to enter upon and inspect any premises occupied by such undertaking and call for any information whether documentary or otherwise which appears to it to be necessary,

(*c*) authorise any person who belongs to the managerial or supervisory class of technical personnel to enter upon any premises occupied by such undertaking and test the technical skill of such persons as the Tribunal may by order in writing direct, and

(*d*) require any industrial undertaking to afford such facilities as the Tribunal may specify for testing the skill of any technical personnel whether such personnel is employed by such undertaking or not,

and the owner or manager of the industrial undertaking and any employee of such undertaking shall comply with any requisition made in this behalf by or under authorisation from the Tribunal.

7. *Release and disposal of technical personnel by Tribunals.*—Subject to any rules made in this behalf under section 19, a Tribunal may, by order in the prescribed form,—

(*a*) require the owner or manager of any industrial undertaking other than a notified factory to release such technical personnel as it may specify for employment in the national service in notified factories,

(*b*) direct technical personnel, who are either unemployed or are not already employed in a notified factory, to undertake employment in the national

service in any notified factory specified in the order, and

(*c*) direct technical personnel whether employed or unemployed, to present themselves at such place and time as may be specified in the order and submit themselves to a test of their technical skill,

and such order shall be complied with within such period or on such date as may be specified in that behalf in the order.

8. *Terms of service of technical personnel notified factories.*—The terms of service of technical personnel taken into employment in the national service in a notified factory in pursuance of any order passed under clause (*b*) of section 7 shall be laid down by the Tribunal in each case subject to such conditions as may be prescribed, and such conditions may provide for the preservation of any rights which such technical personnel may have under any provident or superannuation fund or other scheme for the benefit of employees maintained by the undertakings from which they are released.

9. *Appeals.*—An appeal shall lie to the Central Government against any order passed by a Tribunal under clause (*a*) or clause (*b*) of section 7 or under section 8 and the decision of the Central Government shall be final.

10. *Power of Central Government in respect of technical personnel.*—(1) The Central Government may require a Tribunal to report what technical personnel, whether employed in industrial undertakings or otherwise, is available within its jurisdiction for employment in the national service, and may by order in writing—

(*a*) require any industrial undertaking by which such personnel is employed to release such personnel for employment in the national service,

(*b*) direct any such personnel to undertake such employment in the national service as may be specified in the order, and

(*c*) require any notified factory, notwithstanding that it has not made any application under sub-section (2) of section 4, to take into its employment such technical personnel within such period as may be specified in the order.

(2) The Central Government may by order in writing transfer technical personnel from one notified factory, training establishment or technical post under the Crown to another, and the owner or manager of the notified factory or the head of the training establishment or the department concerned, as the case may be and the personnel concerned shall comply with such order.

(3) The terms of service of technical personnel taken into employment in the national service in pursuance of an order made under sub-section (1) or transferred under sub-section (2) shall, subject to the conditions prescribed for the purposes of section 8, be laid down by the Central Government in each case after consultation with the Tribunal concerned, if any.

(4) The Central Government may order any person who is required under sub-section (1) to undertake employment in the national service, or who is transferred under sub-section (2) from one notified factory, training establishment or technical post under the Crown to another, to submit himself to be examined by such medical authority as may be prescribed.

(5) The head of any training establishment in which technical personnel is directed to undertake employment in the national service under sub-section (1) or sub-section (2) shall take into employment in the said establishment such personnel within such period and on such terms and conditions as may be specified by the Central Government.

(6) No person included in the definition of technical personnel who has been directed to undertake employment in the national service in a training establishment or technical post under the Crown shall be discharged from or leave his employment in such establishment or post unless the

head of the establishment or department or the person concerned, as the case may be, has previously obtained the permission in writing of the Central Government.

11. *Reinstatement.*—(1) It shall be the duty of any employer, by whom a person who has been released for employment in the national service on the requirement of a Tribunal or the Central Government, was employed to reinstate him in his former employment on the termination of that service in an occupation and under conditions not less favourable to him than those which would have been applicable to him had he not been so released for employment in the national service :

Provided that, if for any reason the reinstatement of such person is represented by the employer to be impracticable, either party may refer the matter to a Special Tribunal and the Special Tribunal shall after due consideration pass an order either exempting the employer from the provisions of this sub-section or requiring him to re-employ such person on such terms as it thinks suitable or to pay to such person a sum in compensation for failure to re-employ him not exceeding an amount equal to six months' remuneration at the rate at which his last remuneration was payable to him by the employer.

(2) If any employer fails to obey an order passed by a Special Tribunal under the proviso to sub-section (1), he shall be punishable with fine which may extend to one thousand rupees, and the Court by which he is convicted may, in addition to any other penalty, order him (if he is not already so required by the Special Tribunal) to pay the person whom he has failed to re-employ a sum not exceeding an amount equal to six months' remuneration at the rate at which his last remuneration was payable to him by the employer ; and any amount so required by the Special Tribunal to be paid, or so ordered by the Court to be paid, shall be recoverable as if it were a fine imposed by such Court :

Provided that in any proceedings under this sub-section it shall be a defence for an employer to prove that the person

formerly employed by him did not apply to him for reinstatement within a period of two months from the termination of the employment in the national service for which such person was released.

12. *Special Tribunals.*—(1) The Central Government shall constitute for such areas and in such places as it thinks fit Special Tribunals to hear and decide any matters referred to it under the proviso to sub-section (1) of section 11.

(2) A Special Tribunal shall consist of three members to be nominated by the Central Government, of whom one, who shall be chairman of the Special Tribunal, shall be a member of the civil service of the Crown not lower in status than a District and Sessions Judge.

(3) No person serving as a member of a Tribunal shall, while so serving, be a member of a Special Tribunal.

(4) A Special Tribunal may meet at such times and places as it thinks fit and shall meet when required to do so by the Central Government.

(5) A Special Tribunal shall have the powers of a Civil Court for the purpose of receiving evidence, administering oaths, enforcing the attendance of witnesses and compelling the discovery and production of documents, and shall be deemed to be a Civil Court within the meaning of sections 480 and 482 of the Code of Criminal Procedure, 1898.

13. *Technical personnel not to leave or to be discharged from employment without permission of Tribunal.*—(1) When a Tribunal has been constituted for any area, it may require any industrial undertaking (including a notified factory) in the area to post before a specified date and to keep posted on its premises notices making known to its employees the provisions of sub-sections (1), (2) and (3) of this section, and intimating also the place to which applications to the Tribunal may be addressed.

(2) After any such notice has been posted no person included in the definition of technical personnel, who is employed in that undertaking, shall leave his employment

unless he has previously obtained the permission in writing of the Tribunal.

(3) No owner or manager of an industrial undertaking (including a notified factory) situated within an area in respect of which a Tribunal has been constituted shall, save as may be otherwise prescribed, discharge, dismiss or release any person included in the definition of technical personnel, unless he has given fifteen days previous notice in writing of the contemplated discharge, dismissal or release to the Tribunal.

(4) Subject to any rules made in this behalf under section 19, a Tribunal may control the engagement of technical personnel by industrial undertakings (including notified factories) in such manner as it thinks fit.

14. *Penalties and procedure.*—(1) Whoever contravenes any of the provisions of section 13, or wilfully fails to comply with any summons, requirement, direction or order of a Tribunal, a Special Tribunal or the Central Government under this Ordinance shall, save as provided in sub-section (2) of section 11, be punishable with imprisonment which may extend to six months or with fine which may extend to one thousand rupees, or with both.

(2) No Court inferior to that of a Presidency Magistrate or a Magistrate of the first class shall try any offence punishable under this Ordinance.

15. *Liability of owners, agents and managers.*—In any proceeding against an industrial undertaking for any offence punishable under this Ordinance or the rules made thereunder the owner of the undertaking and his agent or manager, if any, shall be jointly and severally liable to any penalty incurred under this Ordinance or the rules.

16. *Service of notices and orders.*—Any summons, notice, direction or order to be given to any person for the purposes of this Ordinance may be served by being sent by post addressed to that person at his last known address.

17. *Bar of proceedings.*—No suit, prosecution or other legal proceeding shall be instituted in any Court in respect of anything in good faith done or intended to be done under this Ordinance.

18. *Power to amend Schedule.*—The Central Government may, by notification in the official *Gazette*, direct that persons normally employed in capacities other than those specified in the Schedule shall be deemed to be technical personnel for the purposes of this Ordinance.

19. *Power to make rules.*—(1) The Central Government may, by notification in the official *Gazette*, make rules for carrying out the provisions of this Ordinance.

(2) Without prejudice to the generality of the foregoing power, such rules may prescribe—

(*a*) the conditions governing the appointment of the persons referred to in sub-section (4) of section 5 ;

(*b*) the medical authorities referred to in sub-section (7) of section 5 and sub-section (4) of section 10 ;

(*c*) the conditions under and the manner in which the tests mentioned in clause (*c*) of sub-section (2) of section 6 and clause (*c*) of section 7 shall be carried out ;

(*d*) the conditions governing the exercise of its functions by a Tribunal under sections 6, 7 and 8 ;

(*e*) the manner of preferring appeals under section 9 and of making references under the proviso to sub-section (1) of section 11 ;

(*f*) the matters requiring to be prescribed for the purposes of sub-sections (3) and (4) of section 13 ;

(*g*) the registers or other documents to be maintained or prepared by industrial undertakings (including notified factories) and by Tribunals, and the forms of notices and orders to be used for the purposes of this Ordinance.

(3) Any rule made under this section may provide that a contravention of the rule shall be punishable with imprisonment for any term not exceeding six months, or with fine not exceeding one thousand rupees, or with both.

20. The provisions of this Ordinance and of the rules made thereunder shall apply in relation to mines, as defined in clause (*f*) of section 3 of the Indian Mines Act, 1923, as if all references throughout this Ordinance and the rules made thereunder to a factory were references to such a mine.

THE SCHEDULE.

[*See section* 2(a).]

TECHNICAL PERSONNEL.

Managerial Staff.

1. Civil Engineers.
2. Mechanical Engineers.
3. Works Managers.
4. Production Engineers.
5. Assistant Works Managers.
6. Chemists (industrial, metallurgical, analytical and technical research).
7. Electrical Engineers.

Supervisory Staff.

1. Workshop Foremen.
2. Assistant Foremen.
3. Inspectors (of all grades).
4. Chargehands.
5. Chargemen.
6. Inspectors of material.
7. Leading Hands.
8. Supervising Mistries.
9. Chemical Process Foremen.
10. Master Tailors and Master Cutters.
11. Viewers.
12. Works Chemists.

Skilled and Semi-Skilled Trades.

1. Armature Winders.
2. Armourers.
3. Beltmen.
4. Blacksmiths, Angle Smiths, Spring Makers, Heavy Forge Smiths, Drop stampers.
5. Boiler Cleaners.
6. Boiler Makers, Platers.
7. Braziers.
8. Bricklayers.
9. Brick moulders.
10. Brick and tile makers.
11. Bronzers and Lacquerers.
12. Carpenters, Joiners.
13. Caulkers.
14. Coach Finishers.
15. Component Setters, machine and tool setters.
16. Coopers.
17. Coppersmiths.
18. Core makers.
19. Crane Drivers.
20. Cupola men.
21. Cutlers.
22. Die Sinkers.
23. Draughtsmen (mechanical, structural, jig and tool).
24. Electricians.
25. Electroplaters.
26. Engravers.
27. Erectors.
28. Examiners (tool and wood).
29. Filers, vicemen
30. Fitters.
31. Furnacemen, firemen, stokers.

32. Galvanizers.
33. Gauge and tool fitters.
34. Hammermen, Holders-up, Strikers.
35. Ingot parters.
36. Instrument mechanics.
37. Lithographers.
38. Lithoprinters.
39. Machinists, drillers, shapers, millers, planers, polishers, grinders.
40. Markers out.
41. Masons.
42. Motormen.
43. Moulders.
44. Painters.
45. Pattern Makers.
46. Petrol Mechanics.
47. Plumbers.
48. Precision Grinders, Gauge and tool grinders.
49. Press Workers.
50. Riveters.
51. Riggers and Slingers.
52. Ropeworkers.
53. Sawyers.
54. Storemen.
55. Tin Smiths.
56. Tool Makers.
57. Tracers, ferro-printers.
58. Trimmers.
59. Tube Workers.
60. Turners.
61. Vulcanists.
62. Weighmen.
63. Welders, acetylene and electric welders.

64. Wiremen.
65. Chemical Assistants (Analysts).
66. Chemical Process Workers.
67. Engine Drivers (Steam and Diesel Oil).
68. Lead Burners.
69. Photo-Litho Operators.
70. Process Photographers.
71. Slotters.
72. Surveyors.
73. Upholsterers.
74. Wheelers.

BANKING LEGISLATION.

DRAFT INDIAN BANK BILL.

PART I.

General.

1. *Short title, commencement, and extent.*—(1) This Act may be called the Indian Bank Act 19—

(2) It shall come into force on the day of ; and

(3) It extends to the whole of British India including British Baluchistan and the Santhal Parganas.

2. *Definitions.* (*Vide memo para* 2.)—In this Act, unless there is anything repugnant in the subject or context :

(*a*) " banking " means the accepting of deposits on current account or otherwise subject to withdrawal by cheque ;

(*b*) " banking company " means a company as defined by the Indian Companies Act including a foreign company which does the business of banking in British India ;

(*c*) " scheduled bank " means a scheduled bank as defined in sub-clause (*e*) of section 2 of the Reserve Bank of India Act (II of 1934) ;

(*d*) "the Reserve Bank" means the Reserve Bank of India as constituted by the Reserve Bank of India Act (II of 1934);

(*e*) the Court means the court having jurisdiction under the Indian Companies Act (VII of 1913);

(*f*) the Registrar has the same meaning as in the Indian Companies Act (VII of 1913);

(*g*) (*Vide memo para* 12.) "approved securities" means securities in which a trustee can invest under clauses (*a*) to (*d*) inclusive of section 20 of the Indian Trusts Act (Act II of 1882).

3. *Exemption of Co-operative Banks.*—Nothing in this Act shall apply to a co-operative bank registered under the Co-operative Societies Act 1912 (II of 1912) or any other law for the time being in force in British India relating to Co-operative Societies.

PART II.

Business of Banking Companies.

4. *Extent of business.* (*Vide memo para* 4.)—A banking company may engage in any one or more of the following forms of business and no other, namely:

(1) the borrowing, raising or taking up of money; the lending or advancing of money either upon or without security; the drawing, making, accepting, discounting, buying, selling, collecting and dealing in bills of exchange, hoondees, promissory notes, coupons, drafts, bills of lading, railway receipts, warrants, debentures, certificates, scrips and other instruments, and securities whether transferable or negotiable or not; the granting and issuing of letters of credit, travellers' cheques and circular notes; the buying selling and dealing in bullion and specie; the buying and selling of foreign exchange including foreign bank notes; the acquiring, holding, issuing on commission, underwriting and dealing in stock, funds, shares, debentures, debenture stock, bonds, obligations, securities and investments of all kinds; the purchasing and selling of bonds, scrips or other

forms of securities on behalf of constituents or others ; the negotiating of loans and advances ; the receiving of all kinds of bonds, scrips or valuables on deposit, or for safe custody or otherwise ; the collecting and transmitting of money and securities ;

(2) acting as agents for Governments or local authorities or for any other person or persons ; the carrying on of agency business of any description other than the business of a managing agent of a company not being a banking company including the power to act as attorneys and to give discharges and receipts ;

(3) contracting for public and private loans and negotiating and issuing the same ;

(4) the promoting, effecting, insuring, guaranteeing, underwriting, participating in managing and carrying out of any issue, public or private, of State, Municipal or other loans or of shares, stock, debentures, or debenture stock of any company, corporation or association and the lending of money for the purpose of any such issue ;

(5) carrying on and transacting every kind of guarantee and indemnity business ;

(6) promoting or financing or assisting in promoting or financing any business undertaking or industry, either existing or new, and developing or forming the same either through the instrumentality of syndicates or otherwise ;

(7) acquisition by purchase, lease, exchange, hire or otherwise of any property immovable or movable and any rights or privileges which the company may think necessary or convenient to acquire or the acquisition of which in the opinion of the company is likely to facilitate the realisation of any securities held by the company or to prevent or diminish any apprehended loss or liability ;

(8) managing, selling and realising all property movable and immovable which may come into the possession of the company in satisfaction or part satisfaction of any of its claims ;

(9) acquiring and holding and generally dealing with any property and any right, title or interest in any property movable or immovable which may form part of the security for any loans or advance or which may be connected with any such security ;

(10) undertaking and executing trusts ;

(11) undertaking the administration of estates as executor, trustee or otherwise ;

(12) taking or otherwise acquiring and holding shares in any other company having objects similar to those of the company ;

(13) establishing and supporting or aiding in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the company or the dependents or connections of such persons ; granting pensions and allowances and making payments towards insurance ; subscribing to or guaranteeing moneys for charitable or benevolent objects or for any exhibition or for any public, general or useful object ;

(14) the acquisition, construction, maintenance and alteration of any building or works necessary or convenient for the purposes of the company ;

(15) selling, improving, managing, developing, exchanging, leasing, mortgaging, disposing of or turning into account or otherwise dealing with all or any part of the property and rights of the company ;

(16) acquiring and undertaking the whole or any part of the business of any person or company, when such business is of a nature enumerated or described in this section ;

(17) doing all such other things as are incidental or conducive to the promotion or advancement of the business of the company ;

(18) any other business which the Central Government may by notification in the *Gazette of India* specify in

addition as a form of business which it may be lawful under this section for a banking company to engage in.

5. *Limitation of activities of banking company.* (*Vide memo para* 5.)—After the expiry of two years from the commencement of this Act, a company which does banking business shall include as part of the name under which it carries on business the word ' bank,' ' banker ' or ' banking,' and no company which does not do banking business shall use the word ' bank,' ' banker ' or ' banking ' as part of its name.

6. *Banking company not to employ managing agent.* (*Vide memo para* 7.)—No banking company shall employ or be managed by a managing agent other than a banking company for the management of the company.

7. *Restriction on commencement of business by banking company.* (*Vide memo paras* 8 *and* 9.)—Notwithstanding anything contained in section 103 of the Indian Companies Act, no company shall do banking business unless :

(1) it has a paid up capital and reserve of at least one lakh of rupees, or, if it does banking business at any of the places hereinafter mentioned, an amount in respect of each such place of not less than (*a*) five lakhs of rupees at Bombay and Calcutta (*b*) two lakhs of rupees at other places with a population of over one lakh to be included in a list to be notified by the Reserve Bank of India, and (*c*) twenty lakhs if it operates outside the state or the province in which it has its principal office of business ; provided that no banking company shall be required to have a minimum paid-up capital of more than twenty lakhs of rupees ;

(2) its subscribed capital is not less than half of its authorised capital and its paid-up capital is not less than half its subscribed capital.

(3) In the case of a banking company in existence on the 1st January 1940 this section shall come into force after the expiry of two years from the commencement of this Act.

8. *Prohibition of charge on unpaid capital.* (*Vide memo para* 10.)—No banking company shall create any charge upon any unpaid capital of the company, and any such charge shall be invalid. (*Sec.* 277 J).

9. *Reserve Fund.* (*Vide memo paras* 10 *and* 11.)—Every banking company shall maintain a reserve fund, and shall, out of the declared profits of each year and before any dividend is declared, transfer a sum equivalent to not less than twenty per cent. of such profits to the reserve fund until the amount of the said fund is equal to the paid-up capital.

10. *Cash Reserve.*—(1) Every banking company shall maintain by way of cash reserve in cash a sum equivalent to at least one and a half per cent. of the time liabilities and five per cent. of the demand liabilities of such company and shall file with the registrar before the tenth day of every month three copies of a statement of the amount so held on the Friday of each week of the preceding month with particulars of the time and demand liabilities of each such day.

(2) For the purposes of sub-section (1) 'demand liabilities' means liabilities which must be met on demand, and 'time liabilities' means liabilities which are not demand liabilities.

(3) Nothing in this section or in section 9 shall apply to a scheduled bank.

11. *Maintenance of a percentage of assets.* (*Vide memo paras* 12 *and* 13.)—Every banking company shall within two years after the commencement of this Act maintain in cash or unencumbered approved securities valued at a price not exceeding the market price an amount which shall not at the close of business on any day be less than *thirty per cent.* of the total of its time and demand liabilities in India and Burma as shown in a return to be sent weekly to the Reserve Bank of India in the manner prescribed by section 42 of the Reserve Bank of India Act (II of 1934)

and subject to the explanation to sub-section (1) of that section ;

Provided that a balance maintained by a scheduled bank with the Reserve Bank of India under the provisions of section 42 of the Reserve Bank of India Act shall be deemed to be cash for the purposes of this section.

12. *Holding of a percentage of assets in British India* (*Vide memo para* 14.)—(1) Every banking company shall before the 1st February in each year submit to the Reserve Bank of India a return of the amounts of its time and demand liabilities and its assets in British India as on the last working day of the previous December and on that date the said assets shall not be less than seventy-five per cent. of the said liabilities.

(2) For the purposes of this section assets in British India shall be deemed to include such promissory notes, bills of exchange, or securities as the Reserve Bank of India is empowered by its Act to purchase, discount or advance against and export Bills drawn in India and expressed in such currencies as may be approved from time to time by the Reserve Bank of India.

13. *Restriction on nature of subsidiary companies.* (*Vide memo para* 15.)—(1) A banking company shall not form any subsidiary company except a subsidiary company of its own formed for the purpose of undertaking and executing trusts, undertaking the administration of estates as executor trustee or otherwise and such other purposes set forth in section 4 as are incidental to the business of accepting deposits of money on current account or otherwise.

(2) Save as provided in sub-section (1) a banking company shall not hold shares in any company whether as a pledgee, mortgagee or absolute owner of an amount exceeding 40 per cent. of the issued share capital of that company. Provided that nothing in this sub-section shall apply to shares held by a banking company before the commencement of the Indian Companies Amendment Act, 1936.

14. *Defaults under sections* 10 *and* 11 *to be penalised.* (*Vide memo paras* 10 *and* 16.)—(1) If default is made in complying with the requirements of this part of the Act every director or other officer or the company who is knowingly and wilfully a party to the default shall be liable to a fine not exceeding five hundred rupees for every day during which the default continues.

(2) In addition to the penalties prescribed in sub-clause (1) if any banking company fails to comply with the requirements of sections 11 and 12 of this Act, the Reserve Bank shall also make a demand to the company to comply with the said requirements within a period of one calendar month from the date of such demand, and, if the company fails to do so the Reserve Bank of India shall apply to the court for the compulsory liquidation of the said company and such application shall be deemed to be equivalent to a petition by the Registrar for the winding up of the said company under sub-section (a) of section 166 of the Indian Companies Act on the ground that the company is unable to pay its debts and a copy of such application shall be sent by the Reserve Bank of India to the Registrar.

PART III.

Suspension of Business and winding-up of Banking Companies.

15. *Suspension of business.* (*Vide memo paras* 17 *and* 20.)—(1) The court may on the application of a banking company which is temporarily unable to meet its obligations make an order staying the commencement or continuance of all actions and proceedings against the company for a fixed period of time on such terms and conditions as it shall think fit and proper and may from time to time extend the period, up to a total period not exceeding two months.

(2) No such application shall be maintainable unless accompanied by a report of the Registrar indicating that in his opinion the banking company will be able to pay its debts if the application is granted.

Provided, however, the court may, for sufficient reasons, grant interim relief, even if the application is not accompanied by such report.

(3) The Registrar shall for the purposes of his report be entitled at the cost of the company to investigate the financial condition of the company and for such purposes to have the books and documents of the company examined by an accountant holding a certificate issued under Section 144 of the Indian Companies Act, 1913.

16. *Circumstances in which Banking Company shall be wound up by the Court.* (*Vide memo para* 21.)—Notwithstanding anything contained in Section 162 or 271 of the Indian Companies Act, 1936, a banking company shall be wound-up by the court if it is unable to pay its debts.

17. *Banking Company when deemed unable to pay its debts.* (*Vide memo para* 22.)—For the purpose of this Act, notwithstanding anything contained in Section 163 of the Indian Companies Act, 1936, a banking company shall be deemed to be unable to pay its debts if it has refused to meet any lawful demand for payment made at any of its offices or branches within one working day if such demand is made at a place where there is an office, branch or agency of the Reserve Bank of India, or two working days elsewhere.

18. *Winding up and liquidation proceedings not to be stayed, unless Court is satisfied as to payments to depositors.* (*Vide memo para* 23.)—Notwithstanding anything contained in Section 173 of the Indian Companies Act, 1936, no order for winding-up a banking company shall be stayed or its liquidation proceedings delayed unless the court is satisfied that an arrangement has been reached whereby the depositors of the bank can be paid in full as their claims accrue.

19. *Preliminary distribution to depositors.* (*Vide memo para* 18(3).)—Notwithstanding anything contained in Section 177B of the Indian Companies Act, 1936, in the case where a winding-up order has been made for a banking company the official liquidator shall submit a preliminary report to

the court within two months of the date of the order setting out the information required by that section so far as is available to him to enable the Court to order the payment of a preliminary dividend if sufficient assets are available.

20. *Power to dispense with meetings of creditors.* (*Vide memo para* 18(2).)—Notwithstanding anything contained in Sections 178A and 183 of the Indian Companies Act in the liquidation proceedings of a banking company the court may dispense with any meetings of the creditors or contributories or the creation of a committee of inspection if it considers that no object will be secured thereby sufficient to justify the delay and expense.

21. (*Vide memo para* 24.)—Notwithstanding anything contained in Section 191 of the Indian Companies Act, 1936, the court shall deem that the amounts shown in the books of a banking company as standing to the credit of a depositor are proved without the necessity of further proof unless the official liquidator shows cause to doubt any particular entry.

22. *No banking company to be voluntarily wound-up unless solvent in respect of depositors.* (*Vide memo para* 25.) —Notwithstanding anything contained in Section 203 of the Indian Companies Act, no banking company may be voluntarily wound-up unless the registrar reports to the court that it is able to pay all its dues to its depositors in full immediately as they accrue, and notwithstanding anything contained in Section 220 of that Act a voluntary winding-up shall be converted into an order for winding-up by the court if at any time during the winding-up proceedings the company is not able to meet such debts as they accrue.

PART IV.

Miscellaneous.

Power to suspend operations of Act.

23. *Suspension of Act.* (*Vide memo para* 13.)—On a representation of the Reserve Bank in this behalf, the

Central Government may by notification suspend the operation of any of the sections of this Act, either generally or with reference to a particular bank or banks, for a period not exceeding two months at a time.

24. *Power of Central Government to make regulations.*—The Central Government may make regulations consistent with this Act to provide for all matters for which provision is necessary or convenient for the purpose of giving effect to the provisions of this Act.

(*i*) In particular, and without prejudice to the generality of the foregoing considerations, such regulations may provide for the details to be included in the returns prescribed by this Act and the manner in which they shall be submitted.

(*ii*) Such regulations shall be published in the *Gazette of India* and shall come into force six months after the date of such publication after consideration of any comments received on them.

25. *Repeals.* (*VII of* 1913.)—Sections 277 F, G, H, I, J, K, L, M and N of the Indian Companies Act are hereby repealed.

THE INDIAN FINANCE ACT, 1940.

INDIA ACT NO. XVI OF 1940.

An Act to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the rate of excise duty on sugar other than "khandsari" or palmyra sugar leviable under the Sugar (Excise Duty) Act, 1934, to vary the rate of the excise and customs duty on motor spirit leviable under the Motor Spirit (Duties) Act, 1917, and the Indian Tariff Act, 1934, to fix maximum rates of postage under the Indian Post Office Act, 1898, and to fix rates of income-tax and super-tax.

Whereas it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the rate of excise duty on sugar other than *khandsari* or palmyra sugar, leviable under the Sugar (Excise Duty) Act, 1934, to vary the rate of the excise

duty on motor spirit leviable under the Motor Spirit (Duties) Act, 1917, to vary the rate of the customs duty on motor spirit leviable under the Indian Tariff Act, 1934, to fix maximum rates of postage under the Indian Post Office Act, 1898, and to fix rates of income-tax and super-tax ;

It is hereby enacted as follows :—

1. *Short title and extent.*—(1) This Act may be called the Indian Finance Act, 1940.

(2) It extends to the whole of British India.

2. *Fixation of salt duty.*—The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Central Government to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British India, be construed as if, for the year beginning on the 1st day of April 1940, they imposed such duty at the rate of one rupee and four annas per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in, or imported by land into, any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule under that section.

3. *Excise duty on sugar.*—For clause (*ii*) of sub-section (2) of section 3 of the Sugar Excise Duty Act, 1934, the following shall be substituted, namely :—

" (*ii*) on all other sugar except palmyra sugar at the rate—

(*a*) of two rupees per cwt. in the case of sugar produced on or before the 29th day of February 1940, and either issued out of a factory on or after that date or used within a factory on or after that date in the manufacture of any commodity other than sugar ; and

(*b*) of three rupees per cwt. in the case of sugar produced on or after the 1st day of March 1940".

4. *Excise duty on motor spirit.*—In sub-section (1) of section 3 of the Motor Spirit (Duties) Act, 1917, for the

words " eight annas " the words " twelve annas " shall be substituted, and the provisions of section 5 of the Indian Finance (Supplementary and Extending) Act, 1931, so far as they relate to the levy of an additional duty on motor spirit shall cease to have effect.

5. *Import duty on motor spirit.*—In the First Schedule to the Indian Tariff Act, 1934, in Item No. 27 (6), for the words " Ten annas per Imperial gallon " in the fourth column, the following words shall be substituted, namely :—

" The rate at which excise duty is for the time being leviable on motor spirit".

6. *Inland postage rates.*—For the year beginning on the 1st day of April 1940, the Schedule contained in Schedule I to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act.

7. *Income-tax and super-tax*—(1) Subject to the provisions of sub-section (2)—

(*a*) income-tax for the year beginning on the 1st day of April 1940, shall be charged at the rates specified in Part I of Schedule II to the Indian Finance Act, 1939 ;

(*b*) rates of super-tax for the year beginning on the 1st day of April 1940, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be the rates specified in Part II of Schedule II to the Indian Finance Act, 1939 :

Provided that in the case of an association of persons being a Co-operative Society, other than the Sanikatta Saltowners' Society in the Bombay Presidency, for the time being registered under the Co-operative Societies Act, 1912, or under an Act of the Provincial Legislature governing the registration of Co-operative Societies, the rates of super-tax for the year beginning on the 1st day of April 1940, shall be—

(i) On the first Rs. 25,000 of total income, *Nil.*

(ii) On the balance of total income. One anna in the rupee.

(2) In cases to which section 17 of the Indian Income-tax Act, 1922, applies, the tax chargeable shall be determined in accordance with the provisions of that section with reference to the rates imposed by sub-section (1).

(3) For the purpose of this section and of the rates of tax imposed by sub-section (1), the expression "total income" means total income as determined for the purposes of income-tax or super-tax, as the case may be, in accordance with the provisions of the Indian Income-tax Act, 1922.

SCHEDULE I.

Schedule to be inserted in the Indian Post Office Act, 1898.

[*See* section 6.]

"THE FIRST SCHEDULE.

INLAND POSTAGE RATES.

[*See* section 7.]

Letters.	
For a weight not exceeding one tola	One anna.
For every tola, or fraction thereof, exceeding one tola	Half an anna.
Postcards.	
Single	Nine pies.
Reply	One and a half annas.
Book, Pattern and Sample Packets.	
For the first two and a half tolas or fraction thereof..	Six pies.
For every additional two and a half tolas, or fraction thereof, in excess of two and a half tolas	Three pies.
Registered Newspapers.	
For a weight not exceeding ten tolas	Quarter of an anna.
For a weight exceeding ten tolas and not exceeding twenty tolas	Half an anna.
For every twenty tolas, or fraction thereof, exceeding twenty tolas	Half an anna.

In the case of more than one copy of the same issue of a registered newspaper being carried in the same packet—	
For a weight not exceeding ten tolas	Half an anna.
For every additional five tolas, or fraction thereof, in excess of ten tolas	Quarter of an anna.
Provided that such packet shall not be delivered at any addressee's residence but shall be given to a recognised agent at the post office.	
Parcels.	
For a weight not exceeding forty tolas	Four annas.
For every forty tolas, or fraction thereof, exceeding forty tolas	Four annas."

THE INDIAN FINANCE (No. 2) ACT, 1940.

(MADE BY THE GOVERNOR GENERAL ON THE 29TH NOVEMBER, 1940.)

An Act to alter the maximum rates of postage under the Indian Post Office Act, 1898, to increase the rates of the taxes on income imposed by the Indian Finance Act, 1940, by a surcharge for the purposes of the Central Government, and to increase the rate of super-tax payable by companies.

Whereas it is expedient to alter the maximum rates of postage under the Indian Post Office Act, 1898, to increase the rates of the taxes on income imposed by the Indian Finance Act, 1940, by a surcharge for the purposes of the Central Government, and to increase the rate of super-tax payable by companies ;

It is hereby enacted as follows :—

1. *Short title and extent.*—(1) This Act may be called the Indian Finance (No. 2) Act, 1940.

(2) It extends to the whole of British India.

2. *Inland postage rates.*—In the First Schedule to the Indian Post Office Act, 1898, as inserted in that Act by section 6 of the Indian Finance Act, 1940 :—

(*a*) in the first entry under the heading "*Letters*,"

for the words "One anna" the words "One and a quarter annas" shall be substituted;

(*b*) for the first entry under the heading "*Book, Pattern and Sample Packets*" the following entry shall be substituted, namely :—

"For the first five tolas or fraction thereof .. .. Nine pies";

(*c*) in the second entry under the heading "*Book, Pattern and Sample Packets,*" for the words "in excess of two and a half tolas" the words "in excess of five tolas" shall be substituted.

3. *Income-tax and super-tax.*—(1) Subject to the provisions of this section, the rates of income-tax, and the rates of super-tax other than super-tax payable by a company, imposed by sub-section (1) of section 7 of the Indian Finance Act, 1940, shall in respect of the year beginning on the 1st day of April, 1940, be increased by a surcharge for the purposes of the Central Government amounting to one-twelfth of each such rate, and the rate of super-tax payable by a company imposed by the said sub-section shall in respect of the same year be increased by one-twelfth.

(2) In making any assessment for the year ending on the 31st day of March, 1941 :—

(*a*) where the total income of an assessee, not being a company, includes any income chargeable under the head "Salaries" or under the head "Interest on Securities," or any income from dividends in respect of which he is deemed under section 49B of the Indian Income-tax Act, 1922, to have paid income-tax imposed in British India, the income-tax payable by the assessee on that part of his total income which consists of such inclusions shall be an amount bearing to the total amount of income-tax

payable according to the rates in force before the commencement of this Act on his total income the same proportion as the amount of such inclusions bears to his total income:

(*b*) where the total income of an assessee, not being a company, includes any income chargeable under the head "Salaries" on which super-tax has been or might have been deducted under the provisions of sub-section (2) of section 18 of the Indian Income-tax Act, 1922, the super-tax payable by the assessee on that portion of his total income which consists of such inclusions shall be an amount bearing to the total amount of super-tax payable according to the rates in force before the commencement of this Act on his total income the same proportion as the amount of such inclusions bears to his total income.

(3) For the purposes of the proviso to sub-section (2) of section 18 of the Indian Income-tax Act, 1922, the amount by which any deduction made under that sub-section by a person responsible for paying any income chargeable under the head "Salaries" falls short of the deduction which could have been made had the rates imposed by this Act then been in force shall be deemed to be a deficiency arising out of a previous deduction or failure to deduct.

(4) Notwithstanding that the Income-tax Officer has assessed the total income of an assessee and has determined the sum payable thereon under section 23 of the Indian Income-tax Act, 1922, he may proceed to determine the further sum payable by such assessee by virtue of sub-section (1) of this section, and such further sum shall for the purposes of the Indian Income-tax Act, 1922, be deemed to be a sum determined under section 23 of that Act.

THE BUDGET, 1941-42.

Extract from the proceedings of a meeting of the Legislative Assembly, held in New Delhi, on Friday, 28th February 1941.

Finance Member's Speech.

The task which falls to me of placing before this House an account of the main developments since the last annual budget was discussed, has on the present occasion been somewhat lightened by the fact that I made a financial statement during the last session in November 1940, in the course of which I drew the picture of our finances as it then presented itself. As the facts then brought out will be relatively fresh in the minds of Hon'ble Members, I shall to-day devote myself largely to bringing that account up to date, and in particular to a description of the progress of India's war effort in the field of the defence services and of supply. This course, in addition to meeting what I am sure is the desire of this House, will also furnish the most suitable basis for an understanding of our financial position. I shall also take this opportunity of furnishing a fuller explanation of the operations recently announced in connection with the repatriation of a large part of our sterling debt.

2. When speaking of the Indian economic situation in my first Budget Speech, I qualified my reference to the favourable features which were then manifest by emphasising the extent to which the continuance of prosperity was dependent on our ability to export freely overseas. The events of last spring and summer deprived us of our markets on the European Continent and caused a serious deterioration in the volume and facility of the shipping services available for our use. These factors, together with a temporary decline in confidence, which reduced the willingness to hold stocks, resulted in a marked fall of prices in the summer of 1940. This recession has, however, been magnified in some quarters to undue proportions, and it is well to view the facts in proper perspective. In the first

nine months of the fiscal year 1938-39, our exports to all destinations amounted to 122 crores; in the first nine months of the present fiscal year they amounted to 144 crores. Thus the development of new export markets very largely compensated for the loss of old ones. In the second place, prices as a whole are still some fifteen per cent. higher than they were at the beginning of September 1939 and those of certain commodities, e.g., raw materials, are considerably higher. Thirdly such indices as are available of general economic conditions in India, such as railway traffic and postal receipts, continue to reflect an improvement over pre-war conditions.

3. To this improvement the steadily growing war effort most powerfully contributes. Last year that effort, on the side of the production of stores and of commodities required in connection with the war had barely begun; the tide of production is now rising rapidly and may be expected to exercise a generally beneficial effect upon the volume of employment and therefore upon the size of the national income. The holding of the Eastern Group Conference in this country and the establishment, consequent upon the deliberations of that Conference, of an inter-Imperial Supply Council at Delhi, illustrate in striking manner the position of India in the present war. No one would wish to see repeated the period of hectically inflated prices which ruled towards the end of the last war, but we can rely upon steadily increasing industrial effort during the present one, with consequences which seem likely permanently to affect India's position among the industrial nations of the world. The expansion in the demand for the products of Indian industry and the organized efforts which Government are making to increase the supply of trained workers must create an enhanced productive power which will be available in the period after the war, to improve the standard of life in India and to help to lessen the dependence of its growing population upon agriculture and secondary employment.

FINANCIAL YEAR, 1939-40.

4. I will now recapitulate briefly the results of the financial year 1939-40. As I explained in the course of my statement last November, the surplus of that year which in our revised estimates we had taken at Rs. 91 lakhs, actually increased to Rs. 7,77 lakhs and the amount transferred to the Revenue Reserve Fund was thus augmented by as much as Rs. 6,86 lakhs. This was the result of an improvement of Rs. 6,81 lakhs in revenue and a reduction of Rs. 5 lakhs in expenditure.

On the revenue side Customs receipts, after the sharp drop that had occurred at the outbreak of war, not only recovered to their previous level but during the closing months of the last financial year, were abnormally high. This was in large part due to the laying in of stocks, the effect of which is seen in corresponding decreases in the receipts of the following year, so that for a fair comparison the estimates and returns of both years should be considered together. In the same way the very large receipts from the abnormal Salt clearances of last winter were off-set by a corresponding reduction in receipts in the current year; the actual receipts last year exceeded our revised estimate by Rs. 1,86 lakhs while those for the current year are likely to be half a crore below the budget estimate based on the normal annual consumption.

The profits from small coin increased by a further Rs. 37 lakhs. Railway earnings also recorded a further improvement so that the surplus payable to general revenues, though still short of the full contribution, increased by Rs. 72 lakhs.

In addition there were increases of Rs. 21 lakhs under Corporation Tax and Rs. 1,07 lakhs under Income-tax over our revised estimates, which themselves allowed for an appreciable rise over the new high level established by the actuals for the previous years. To some extent this increase may be taken to reflect the additional revenue due to the provisions of the Income-tax Amendment Act, the yield from which was bound to be a matter of conjecture.

This increase in Income-tax raised the divisible pool of the total taxes on income other than Corporation Tax from Rs. 13,76 lakhs to Rs. 14,66 lakhs. While we had expected that Rs. 2,38 lakhs would be payable to the Provinces from 1939-40, the amount turned out to be Rs. 2,83 lakhs. In addition to this the arrears due on account of 1938-39 were finally certified as Rs. 39 lakhs instead of Rs. 41 lakhs as provisionally reported. As the sum distributed to the Provinces in March 1940 was Rs. 2,79 lakhs, there is a balance of Rs. 43 lakhs to be paid to them along with their share for the current year.

FINANCIAL YEAR, 1940-41.

5. I come now to the current year 1940-41. Our revised estimates for revenue, excluding the additional Rs. 6,86 lakhs available in the Revenue Reserve Fund show a net improvement of Rs. 4,21 lakhs compared with the budget estimates. Against this, however, our revised estimates for expenditure show a net increase of no less than Rs. 19,54 lakhs, of which Rs. 18½ crores are on account of the Defence Services and Rs. 1,04 lakhs are for expenditure borne by the Civil Estimates, mainly on account of schemes connected with the war. Thus while the budget estimates provided for a nominal surplus of Rs. 5 lakhs and last November I put the estimated deficit, before taking into account the revenue from the fresh taxation then imposed, at about Rs. 13 crores, we now estimate that the deficit on the current year will be Rs. 8,42 lakhs. The improvement is due to the additional revenue that has since accrued, including the further payment of Rs. 2,81 lakhs from the Railways as a refund of arrears of contribution, which has already been explained to the House in the speech of the Railway Member.

Revenue.

6. War time conditions are naturally reflected in our reduced receipts from Customs. Against actuals of Rs. 45,88 lakhs for 1939-40, we had estimated for 1940-41 a total of Rs. 39,16 lakhs, while we now estimate this year's receipts

at only Rs. 37,75 lakhs. Our receipts under this head are of course affected not only by the cessation of trade with enemy countries but also by the interruption and deflection of shipping. In addition we have had to conserve our resources by restricting imports of many commodities in order that the foreign exchange so saved may be available for the more urgent requirements of the war. Under Excise there is a drop of Rs. 2,10 lakhs from Sugar. As the House is aware, the sugar industry in the main producing areas of the United Provinces and Bihar has during the present year been beset with difficulties. The maintenance in the previous season of artificially high prices for cane together with over-production led during the summer months to a situation in which large stocks were held up in the factories. The industry accordingly found itself in difficulties in the matter of finance and revenue was slow to come in. As a remedy for this it was urged upon us that there should be either a reduction in the duty or that collection of a portion of it should be postponed. After negotiations with the two Provincial Governments a scheme was finally adopted under which the Government of India undertook to lend to the Provincial Governments funds sufficient to enable them to advance to the industry a sum equal to Re. 1 per maund on existing stocks, to be used in part payment of duty. This, combined with some lowering of prices, helped to alleviate the position, though the industry in those two provinces continues, for reasons unconnected with the Central Excise, to be faced with problems of great difficulty. In consequence we do not now expect that the collections of sugar excise duty in the current year will exceed Rs. 3,15 lakhs as compared with our budget estimate of Rs. 5,25 lakhs.

7. I have already mentioned that our revenue from Salt in the current year is expected to be Rs. 50 lakhs less than the budget estimate. Railway earnings have, however, come to our assistance and the sum they are now expected to pay to Central Revenues under the Railway convention is Rs. 7,15 lakhs, which with the additional

refund of Rs. 2,81 lakhs is Rs. 4,65 lakhs more than was provided in the budget estimates. The sum of Rs. 7,15 lakhs is made up of the full contribution of Rs. 4,63 lakhs, which is 1 per cent. of the capital at charge less the loss on strategic railways, Rs. 30 lakhs as arrears of contribution from the previous year, and a further Rs. 2,22 lakhs as one-third of the excess over the first Rs. 3 crores of the remainder which would normally be transferred to the Railway Reserve Fund. Other increases are Rs. 92 lakhs under Currency and Mint mainly from the larger circulation of small coin and Rs. 65 lakhs in the surplus of the Posts and Telegraphs Department; while Taxes on Income, including Excess Profits Tax and the Central surcharge imposed during the year show a rise of Rs. 3,30 lakhs, a part of which goes to increase the share of the Provinces from the budgetted sum of Rs. 3,00 lakhs to Rs. 3,73 lakhs.

As regards Excess Profits Tax the extent of the preliminary work proved even greater than had been expected with the result that returns were not due from assessees before the end of November. The subsequent stages of the assessment proceedings bristle with practical difficulties owing to the complexity of the computations. And to the difficulties ordinarily associated with E.P.T. there is the added difficulty of a separate depreciation computation owing to the change over in the Income-tax law to the written down value basis for depreciation. For these reasons the progress of E.P.T. assessment work has been, and is, very slow and therefore the actual receipts in the current financial year are not expected to exceed Rs. 2 crores. A substantial portion of the original estimated receipts for 1940-41 will accordingly go to swell the collections of 1941-42. This sum may be taken as of the order of Rs. 1 crore.

Expenditure

8. *Defence Services.*—Turning to the expenditure side of the current year, I will now deal with the aspect which overshadows all others, namely, the Defence Services. In

my speech introducing the Supplementary Finance Bill last November I gave the House an indication of the extent to which our budget estimate of defence expenditure for 1940-41 was likely to be upset as a result of the momentous developments in the war situation during the early months of that year. I described in some detail the various activities in which India was engaging to meet the direct and indirect threats to her security arising out of the changed conditions. At that time it was estimated that India's share of the financial commitments involved in those activities would amount eventually to roughly Rs. 33 crores on account of initial outlay and Rs. 16 crores per annum on account of recurring charges, while the budget estimate of Rs. 53½ crores for defence expenditure during 1940-41 would be exceeded by at least Rs. 14½ crores. The three months that have passed since then have been a period of steady and rapid progress in the development of India's war effort and I propose at this stage to give the House some particulars of this progress and the achievements already secured or in prospect.

In the interests of security it is not possible for me to bring the figures in every case up to date but what I am going to say will, I hope, show clearly enough that the immensely complicated business of producing efficient modern forces is going forward with speed and energy. In some directions we are, it is true, still held back by the difficulty in obtaining materials which we cannot as yet produce in India and also by the shortage of skilled personnel of various categories. Subject, however, to these limitations, the resources of India are being intensively utilised and developed.

9. The total strength of our armed forces is now well over half a million men of all arms and further expansion is proceeding. Provision has been made for the raising of new armoured and mechanised cavalry regiments ; new Indian field artillery regiments, regular infantry battalions, engineer units, more M. T. Sections and all the highly trained and

specialised ancillary troops required for modern warfare. The Fighting Vehicles School has continued to expand; a new Cadet Wing has been opened at the Artillery School and an anti-aircraft training centre has been established which is designed to train several hundred students a month. The R. I. A. S. C. Officers' Technical School has been further expanded and its output is now 7 times what it was at the outbreak of war. Mechanical transport training establishments have still further increased and apart from mechanised cavalry, artillery and infantry, who train their own men, the output of trained drivers has grown to 40 times what it was in August 1939. Two new Signal Training Centres have been opened and the training establishments of Sapper and Miner Units have more than doubled since November last.

10. It is impossible to exaggerate the importance of adequate training establishments in an expansion of the scale of that which we are now carrying out. Troops may be gallant and well equipped but they are not likely to succeed in modern war unless their standard of training is very high indeed. The training of the Indian Army has, it is admitted on all sides, been shown to be excellent. This has been proved beyond question by the part which they have played in the recent great victories, where they overcame a well armed and numerically far stronger enemy at surprisingly small cost to themselves. I have dwelt at some length upon this aspect of our war efforts as it is upon this that the pace of our expansion depends. We have no intention of sacrificing efficiency for mere numbers but are determined to follow as closely as possible the high standards which have been set and which have so dramatically and decisively proved their value in the past few weeks.

11. Many of the new units we have raised are now completing their training and a number have already taken up active roles. When the expansion of the army in India began, owing to difficulties in obtaining equipment, the number of armoured units and artillery regiments included

was less than we would have desired. Improvements in the supply situation, however, both in India and the United Kingdom, have now made it possible to remedy this deficiency and our plans include the transformation into armoured and light-armoured regiments of the whole of the existing cavalry and the raising of additional regiments of this kind. With regard to artillery, increasing assistance from His Majesty's Government, both in personnel and equipment, has made it possible to ensure that we do not fall short in this component.

12. With regard to equipment generally His Majesty's Government have recently agreed to a standing arrangement under which India will receive a substantial fixed proportion of the output of the United Kingdom. As a result of this arrangement, steady supplies of all kinds of equipment unobtainable in India, such as guns, machine tools, optical instruments, wireless and other signalling equipment and anti-gas equipment are now forthcoming and will enable us to push forward with the modernisation of our normal defence garrison, and with the equipment of the forces now being raised on a scale adapted to the requirements of modern war.

13. The growth of the Royal Indian Navy which I summarised last November, has continued unchecked ; the programme of ship-building in India has been further expanded and the recruiting and training of officers and men to man the new construction is proceeding apace. All instructional establishments have been greatly increased in capacity ; a new Signal School is being built and a start has been made with a large new Gunnery School. Other new Naval establishments are in process of development. Some idea of the increase in work being carried out in the Government Dockyard may be gathered from the figures of workmen of all classes and trades employed there. Before the war, the figure was 1,168 ; it has now risen to nearly 5,000. In addition to meeting our own requirements, a great deal of work has been carried out on behalf of His

Majesty's Government in connection with the arming and protection of both British and Indian merchant shipping, and also in the provision of repair facilities to ships of the Royal Navy.

14. As regards the Air Force the difficulties arising from deficiencies of equipment and experienced technical personnel which I mentioned on the last occasion as holding up the expansion of this Arm have recently been considerably lessened. A number of modern aircraft and connected equipment are in sight from American sources and further supplies are expected which will go a considerable way towards completing and modernising the equipment of the squadrons now in India, as well as setting free machines for the training of new squadrons. The arrangements for training personnel have also been considerably improved. Close liaison between the civil and air force training schemes has been established and a proposed amalgamation and re-organization of all available facilities will provide Air Force elementary flying training schools formed around existing flying clubs and an expanded service flying training school. All these institutions will be operating to full capacity in the near future. A start has been made with the formation of the reserve to which I alluded and the training both of officers and airmen is being pushed forward as rapidly as the capacity of the schools permit and as fast as instructional and maintenance personnel and equipment become available. The scheme for establishing aeroplane manufacture in India has reached a new stage and there is now little doubt that the year 1941 will witness the appearance of the first aeroplanes to be produced in India. This achievement, memorable in itself, should prove of great value in speeding up the expansion of India's air force—a development to which we attach supreme importance.

15. The position in regard to the vital matter of supplies has, I am glad to say, substantially improved since I last addressed the House. The Government Ordnance and Clothing factories have been working at the highest pressure

for some time past and an indication of what this means can be gathered from the fact that whereas before the war the average number of workmen employed in those factories was under 17,000, the number has now risen to over 45,000 and the curve of production is still rising. Steps have recently been taken to supplement the output of these factories by taking over railway and private workshops and utilising their resources for the production of munitions of war. The Roger Mission, which has been investigating the possibilities of expanding India's output of war supplies has now submitted its reports to His Majesty's Government who are giving them their urgent consideration. We hope that the result will be that India will before long be able substantially to increase her output of munitions.

With a view to stimulating private enterprise and co-ordinating the resources of the country to the fullest extent possible a thorough reorganisation of the Supply Department has been carried out during the last few months and this is already resulting in an increasingly close liaison and co-operation between that Department, other Departments of Government and Indian industry.

16. Mention may also be made here of another important development which is likely to lead to a great improvement in the supply field. Until recently the work of the Supply Department, in so far as it related to compliance with overseas demands was seriously hampered by the fact that the placing of orders in this country to meet such demands was dependent on the receipt of firm indents. Owing to the enormous fluctuations in the demands so placed on the Supply Department and the immediate urgency attaching to most of them it was found impossible to ensure prompt compliance or to make forward arrangements in such a manner as to prevent dislocation of the productive activities of the country and ensure that supplies were obtained at reasonable prices. These difficulties were presented to His Majesty's Government who have now agreed to a forward programme of supply covering the

estimated requirements over a period of about two years ahead. The Department of Supply is thus able to enter into forward commitments within the limits of this programme and so maintain an even flow of production.

17. A further improvement in the supply position has been rendered possible by the receipt of authority from His Majesty's Government to purchase vehicles, machine tools and other essential war requirements in the United States and Canada, to the extent necessary to meet our needs for a considerable period ahead. The restrictions previously placed on such purchases owing to the difficulties regarding dollar exchange had been seriously hampering the process of modernising our Army in India and equipping the newly raised units. An officer has been placed on special duty in America with the object of discovering and effecting purchases of such supplies as are available to India from this source.

Last, but certainly not least in this tale of progress, the deliberations of the Eastern Group Conference will shortly bear fruit in the shape of the institution of an Eastern Group Supply Council to be located in India which will in due course co-ordinate the requirements of various Empire countries and forces operating east of Suez and will ensure that the resources of the participating countries are utilised to the fullest advantage for the successful prosecution of the war.

18. These tremendous developments in the supply field must necessarily give a great stimulus to Indian industries. One of the most important results has been the investigation of the possibilities of establishing new industries in India for the production of stores that have hitherto been imported. The list of stores required both in India and to meet overseas demands is constantly under review and items formerly placed in the category of imported stores are continually being transferred to the indigenous category, a result of the discovery either of methods of producing them in India or of suitable domestic substitutes. As typical

examples of this I may mention web equipment, and lubricating oil, bichromates, and acetic acid, which formerly imported, are now being produced in India, while the substitution of cotton canvas for flax canvas, fish oil for codliver oil, and various Indian varieties of drugs for those previously imported has enabled us to transfer their source of supply from abroad to India. This process has been particularly marked in the case of medical stores and whereas prior to September 1939, 77 per cent. of the items included in the priced vocabulary of medical stores were imported the corresponding percentage after 18 months of war is only 46.

From this brief review it will, I think, be realised that India has in addition to providing for her own local defence been able to make a noteworthy contribution to the success of the common cause in the provision both of highly trained troops and high grade material. That contribution is increasing rapidly in quantity and is not diminishing in quality.

19. I must now revert to the purely financial aspect of this remarkable picture of India's war activities. As a result of the further measures which I have just described coupled with the general improvement in the supply position, the estimates of extra cost that were given to the House last November are out of date. Our latest assessment of the cost of all measures to which we are now committed and which were not envisaged at the time of preparing the defence budget for 1940-41, indicates that they will ultimately involve initial outlay of approximately Rs. 52 crores and Rs. 19 crores additional recurring expenditure per annum. The initial outlay and full recurring cost will not of course all come forward in the first year but it is estimated that during 1940-41 the increase in India's defence expenditure on account of these measures will amount to roughly Rs. 17¾ crores.

20. I may perhaps remind the House here that the allocation of war expenditure between India and His

Majesty's Government is still governed by the settlement arrived at between the two Governments which was fully explained in my budget speech of a year ago. In accordance with the principles underlying this settlement any forces now being raised that India may agree to send for service overseas cease to be an Indian liability, on leaving India and the whole initial cost of raising, training, and equipping such forces as well as the subsequent recurring charges are borne by His Majesty's Government. The details of the revised estimate of defence expenditure for 1940-41 amounting to Rs. 72,02 lakhs are as follows :—

		(Rs. in lakhs)
(1)	Basic normal budget	36,77
(2)	Effect of rise in prices on (1). .	2,53
(3)	India's war measures	24,31
(4)	Non-effective charges.. ..	8,41
		72,02

The increase of Rs. 53 lakhs in item (2) over the corresponding budget figure is mainly due to the increases of emoluments granted during 1940-41 to British and Indian troops as a war concession. In so far as these increases would have raised the cost of India's normal garrison the extra cost is included under this head. The increase of Rs. 17¾ crores in item (3) has already been explained. Out of the total provision of Rs. 24.34 crores for India's war measures approximately Rs. 15 crores represents the initial cost of such measures; the balance consists of recurring expenditure. The revised estimate for non-effective charges—item (4)—has for the present been fixed at the normal budget level of 1939-40 but discussions are in progress with His Majesty's Government with a view to reaching a settlement that will regulate the allocation of these charges as has already been done for effective charges. The effect of the war on these charges obviously cannot be foreseen though happily there has so far been no appreciable

increase owing to the absence of heavy casualties. I should here point out that the increase of Rs. 24.31 crores shown against item (3) over our normal defence expenditure by no means reflects the full magnitude of India's war effort since it excludes the cost of supplies and services rendered by India to His Majesty's Government, which is substantially greater than this amount.

I should also mention here that His Majesty's Government besides paying in full for all such supplies and services are providing free of charge much of the equipment needed for the modernisation of the Army in India and for the initial equipment of units now being raised in pursuance of our expansion scheme.

Civil Estimates.

21. The principal items mainly responsible for the increase in civil expenditure, such as the schemes for the training of the Air Force Reserve and that for war technicians, were explained in some detail in my Statement last November and I will not repeat the account which I then gave to the House. Though the additional civil expenditure then accounted for was approximately Rs. 2,30 lakhs, the actual net increase in civil expenditure works out at only Rs. 1,04 lakhs. In the first place there is a reduction of Rs. 71 lakhs in Interest charges. This is mainly due to smaller payments on account of Post Office Cash Certificates and Savings Bank Deposits and to lower interest rates on our short-term debt, the volume of which has also been reduced in recent months by the success of the Indian Defence Loans. Again, on account of a change of accounting procedure, which also brings about a corresponding reduction on the revenue side, the amount of Rs. 67 lakhs received from Burma as her share of pensionary charges is now to be taken in reduction of expenditure instead of as a revenue receipt under payments by Burma.

22. Thus our Revised Civil Estimates for the current year are expected to amount to Rs. 40,11 lakhs as compared with the Budget Estimate of Rs. 39,07 lakhs. With the

net Defence Expenditure placed at Rs. 72,02 lakhs our total expenditure is estimated at Rs. 112,13 lakhs as against our total revenue of Rs. 103,71 lakhs. We are therefore left with a deficit of Rs. 8,42 lakhs in the current year. As, however, the amount provided for the reduction or avoidance of debt was Rs. 3 crores, the net addition to our indebtedness is only of the order of 5½ crores.

FINANCIAL YEAR, 1941-42.

23. I now come to the financial year, 1941-42. Our total revenue estimates amount to Rs. 106,39 lakhs as compared to Rs. 103,71 lakhs in the revised estimates of this year. Though there is no further balance available in the Revenue Reserve Fund, which provided Rs. 7,77 lakhs in the current year, this is more than made up by the first full year's receipts from the Excess Profits Tax and the Central Surcharge imposed last November. We have to allow for a further drop of 3 crores under Customs, but larger receipts are anticipated from Central Excise Duties and Salt. Also the contributions to be paid to General Revenues by the Posts and Telegraphs Department and Railways are estimated at Rs. 38 lakhs and Rs. 22 lakhs respectively higher than their increased contributions in the current year.

Revenue.

24. Against our current year's estimate of the yield from Customs duties of Rs. 37,75 lakhs, we have taken for 1941-42 the still lower figure of Rs. 34,75 lakhs. War time factors already described in connection with the current year's receipts must be expected to continue to affect our revenue from Customs adversely, and under present conditions no one can foresee when the process will end, or the extent to which these factors may operate in the coming year. I can only say that our estimates are based on the assumption that present tendencies will continue and that there will be no violent change.

25. Our total estimates for Central Excise Duties show an increase of Rs. 1,75 lakhs almost entirely on account of sugar. We have raised our next year's estimate of the total yield from ordinary Corporation Tax and Income-tax by approximately half a crore to Rs. 21½ crores taking account of the fact that the assessments will be based on incomes derived from a full year of war profits. At the same time the surcharge imposed for Central purposes is expected to produce Rs. 5,68 lakhs. In the light of general trading conditions during the current year the yield from Excess Profits Tax for the year 1941-42 is estimated at Rs. 7½ crores, which with the carry-over of Rs. 1 crore from the current year gives a total estimate of Rs. 8½ crores. Though Excess Profits Tax receipts are included in the total Taxes on Income, the share payable by Companies, which is roughly estimated at five-sixths, falls under Corporation Tax and thus goes in full to Central Revenues. The Excess Profits Tax on incomes other than those of Companies is expected to yield Rs. 1,42 lakhs and the divisible pool of Income-tax to increase on account of this from Rs. 16,47 lakhs to Rs. 17,93 lakhs. The share of the Provinces is thus expected to reach the figure of Rs. 4,46 lakhs as compared with Rs. 3,73 lakhs this year.

26. There is also an increase of Rs. 60 lakhs under Salt as compared with the Revised. With the utilisation of the large stocks carried over from last year, we count on the usual demand for fresh supplies next year and in consequence take our estimate of Salt revenue at the average figure of Rs. 8,30 lakhs. We are allowing for a decrease of Rs. 1,21 lakhs in Mint receipts as compared with our revised estimates for 1940-41. We have now decided that from next year an average figure of Rs. 45 lakhs from the profits from the circulation of small coin is to be taken to Revenue and any balance over this figure credited to a Suspense Account which will be available to even out the receipts over a series of years. For in years when there is a large demand for small coin the profits are abnormally high, while in others when there is a net return from circulation there is

a loss to Government. The new procedure will tend to keep the revenue receipts from this source stable from year to year and will mitigate instead of aggravating the difficulties experienced in years of depression on this account. Under Currency however there is an increase of Rs. 1,25 lakhs. We are taking the Government's share of the Reserve Bank's profits, Rs. 1,17 lakhs higher on account of the higher interest which will be earned on the rupee securities held by the Bank in place of their sterling balances, and the receipts from the Currency Note Press are expected to improve by Rs. 8 lakhs. Included under Other Sources of Revenue are Rs. 63 lakhs on account of War Risk Insurance premia the payment of which into the Fund created for this purpose is provided under expenditure.

27. *Posts and Telegraphs.*—For next year the revenue of the Posts and Telegraphs Department is expected to be Rs. 13,49 lakhs and expenditure Rs. 12,09 lakhs. The larger revenue is almost wholly due to the effect of the increases in rates. The expenditure reflects the normal growth of pay and pensionary charges in an expanding service, with some additions to maintenance charges and to the contribution to the Renewals Reserve Fund due to the rise in the prices of stores and in the value of the assets.

In my last Budget Speech I reminded Hon'ble Members that under the system of commercialisation of accounts of the Posts and Telegraphs Department the surplus of the Department forms a reserve for it on which interest has to be paid by General Revenues. I also indicated that the procedure by which the general tax-payer obtains immediate relief by incurring a future liability could not be extended indefinitely. The recent increase in rates being a measure of taxation the Posts and Telegraphs Department cannot claim the extra revenue on this account as part of its ordinary surplus. The estimated extra revenue due to this factor, namely, Rs. 33 lakhs in 1940-41 and Rs. 1,00 lakhs in 1941-42, will therefore be transferred outright to general revenues. Further the recent surpluses of the Department are due largely to war conditions, and Government traffic

has contributed substantially to them. It has been decided that on the accumulated surplus beyond Rs. 1,00 lakhs the Department will not be credited with any interest. For the present this change in the former procedure is considered a sufficient adjustment to war circumstances.

The licences of the Bengal, Bombay and Madras Telephone Companies expire in 1943. It has been decided not to renew the licences and negotiations are in progress to acquire by purchase the shares of the companies in order that the change-over may be effected smoothly. A " Government Telephone Board " has been formed to run the business in the interim period. The new arrangement is expected to start functioning about the beginning of the next financial year. An addition of Rs. 4,75 lakhs to the Telephone Development Fund will be necessary to finance the " Government Telephone Board." A proposal for a supplementary grant for this purpose will be brought forward later in this session.

Expenditure.

28. *Defence Services.*—The Defence Budget for 1941-42 amounts to Rs. 84,13 lakhs made up as follows :—

		Rs. (In lakhs)
(1)	Basic normal budget	36,77
(2)	Effect of rise in prices on (1) ..	3,55
(3)	India's war measures	35,40
(4)	Non-effective charges	8,41
		84,13

The increase over the revised indicated at item (2) is due to the fact that the increases in emoluments granted as a war concession to British and Indian troops took effect from various dates in 1940-41 whereas they will be in force throughout 1941-42.

The growth of expenditure on India's war measures has already been explained at length. The effect of this growth on the defence budget for 1941-42 is shown at item (3) the increase over the revised being Rs. 11,09 lakhs. Approximately half the total amount of Rs. 35,40 lakhs provided for India's war measures represents the initial cost of these measures, the balance consisting of recurring charges. I should like here to impress upon the House the fact that in these estimates of Defence Expenditure only such specific schemes and measures as are definitely under way or in sight have been provided for. Our Defence plans have to be adapted from time to time to meet the ever changing war situation, which means that additional projects are constantly being undertaken, and it is clearly impossible to make any forecast of the cost of such unforeseeable items. The provision for non-effective charges has been retained at the normal figure for 1939-40 for the reasons already given. Here too as I have remarked in connection with the revised estimates the figures exclude the value of supplies and services rendered by India to H. M.'s Government. The charges borne by that Government on this account during 1941-42 are expected to be more than double the amount of India's war expenditure.

Civil Estimates.

29. Our Civil expenditure estimates show increases amounting to Rs. 2,61 lakhs in all as compared with the current year's revised estimates. There are first the additional sums on account of the full year's working of the various schemes arising out of the war which were started in the course of the current year. Thus next year the training of the Air Force Reserve is expected to cost Rs. 33 lakhs and the Scheme of Technical Training to provide the needs of skilled labour of the technical branches of the Defence Services and Ordnance and munitions factories a further Rs. 93 lakhs. Under this scheme, which provides for the training of 15,000 men by the end of March 1942, nearly 2,000 men are already being trained at different training

centres and their number is increasing every day. Of the total cost of Rs. 1 crore, over 85 per cent. of which is for stipends to trainees and their training fees, it is now estimated that Rs. 7 lakhs will be spent in the current year and the remainder next year. Then there are a number of new items of essential expenditure which the Standing Finance Committee have approved for inclusion in the budget. These include the share of the subsidy to this year's Haj pilgrimage to be paid by the Government of India to meet the extra cost attributable to war conditions, the establishment of a new Broadcasting station at Karachi, and a further programme of Civil Aviation Works. Rs. 5 lakhs are to be spent in the course of next year on the new Broadcasting House to be built at Delhi. Rs. 9 lakhs are being provided for a new high power transmitter for broadcasts to countries outside India, intended for the benefit of Indian nationals abroad and to enable India to present her point of view, as well as to counteract enemy broadcasts in those countries. A third Mint is to be constructed to cope with the present large coinage demand, which has increased so enormously as the result of the war. As soon however as the situation returns to normal, it is proposed to close down the existing Calcutta Mint and to transfer all serviceable plant to the new Mint so that the present valuable but congested site can be sold to defray a large part of the cost of the scheme. A substantial share of the new expenditure included in the Budget is on account of the Department of Supply which has continued to expand throughout the year to meet the ever growing demands. The great developments in the production of war material, as well as the re-organisation of the Department carried out last December have already been described in connection with Defence. As regards the effect on industry of the orders placed on behalf of overseas Governments it may be mentioned that these have included 2¼ million yards of jute canvas, 3¼ million yards of a new jute and cotton fabric, 12 million yards of khaki materials, as well as 14 million yards of canvas valued at over Rs. 1,40 lakhs. At the same time the

woollen industry's whole production has been absorbed to meet war demands. The production of army boots, harness, saddlery, and leather equipment which is now 30 times the pre-war average, has resulted in large orders for the tanning industry and increased demands for hides. New manufacturing plant to meet the requirements of chemicals formerly drawn from Europe are under construction. 400,000 tons of timber and over a million railway sleepers have been purchased for military requirements while wooden articles like tent poles, camp furniture and packing cases to the value of Rs. 60 lakhs have been made by Indian workmen from timber grown in the country. The total value of all these orders placed on behalf of His Majesty's Government and other allied Governments up to the middle of January exceeded Rs. 82 crores. This gives some indication of the necessity for the expansion of the Department's purchasing organisations. The expenditure on this account has increased from the figure of Rs. 23 lakhs originally provided in the budget for the current year to Rs. 58 lakhs as now estimated for next year.

SUMMARY.

30. I can now summarise the figures for 1941-42. The expenditure detailed in the civil estimates comes to Rs. 42,72 lakhs as compared with Rs. 40,11 lakhs for the current year, and with the provision for the Defence Services placed at Rs. 84,13 lakhs, our total expenditure estimates amount to Rs. 126,85 lakhs. The figures are therefore—

	(Lakhs)
Revenue	106,39
Expenditure	126,85
Prospective Deficit	20,46

WAYS AND MEANS.

At this stage I propose to deal with the Ways and Means position as it has developed in the course of the last twelve months, when despite the grave repercussions of the

war the credit of the country has been fully maintained at its previous high level.

31. *Defence Loans.*—Our loan programme for the year was merged in the Indian Defence Savings Movement which was launched early in June with the issue of Six Year Defence Bonds, Ten Year Defence Savings Certificates and Interest-free Bonds. From the 1st August we made these Six Year Defence Bonds the mainstay of our loan programme and removed the previous maximum on individual holdings. These Defence Bonds met with a ready and increasingly popular reception, and when we closed them on the 25th January, subscriptions totalled nearly 45 crores, 31½ crores having been tendered in cash and the balance by conversion of the 5 per cent. Loan, 1940-43. As from 1st February we issued on terms slightly more favourable to the tax-payer a second 3 per cent. Defence Loan with a longer currency and repayable at par. The results of these Defence Loans, the total receipts from which in a period of eight months have amounted to over Rs. 50 crores, testify to the strength of India's financial credit and are a good augury for the future. But I must take this opportunity of emphasizing the desirability of an even more intensive mobilisation of the country's savings if India's war effort is to continue to be financed in the most satisfactory way. However generous the donations for war purposes may be—and no one can fail to be impressed with the response so far made—it is obvious that the total of the sums received as donations can only form a very modest fraction of the amount required to finance the war effort. The fulfilment of that requirement calls for the efforts of every individual to save to the best of his capacity and to invest his savings in one or other of the different types of Defence Loan, which we have instituted to serve different needs. In addition to the Loans already described, we have started a Defence Savings Provident Fund for all Government servants which makes it easy for these classes to make regular investments. Subscriptions to this are already approaching the scale of half a crore a year. We shall shortly have in operation a simple system of facili-

tating popular saving by means of a new scheme of Post Office Savings Bank Accounts, the amounts in which will be repayable not on demand but a year after the end of the war. This will afford further facilities to those of limited means who desire to invest their savings so as to assist the war effort. In order to encourage deposits of this kind, the rate of interest has been fixed at 1 per cent. higher than the existing rate on ordinary Postal Savings Banks Accounts.

During the current year Government exercised their option of repaying the 5 per cent. Loan, 1940-43 and thereby effected an appreciable saving in our interest charges. Next year we are making provision for the repayment of the 3 per cent. Bonds, 1941, the outstanding balance of which, about Rs. 10½ crores, falls due for payment on the 15th September next.

32. *Sterling Position.*—Owing to the continued improvement in the country's balance of trade, the Reserve Bank have been able to purchase large amounts of sterling which in the first ten months of the current year aggregated approximately £47 millions. At the same time with large payments being received in the United Kingdom on account of recoverable war expenditure and the cost of supplies made to His Majesty's Government the amount of remittance required by Government has diminished to vanishing point. For our ordinary sterling requirements, excluding the amount that will be required to finance the debt redemption operation now pending, are now expected to amount to no more than £1 million in the current year, while next year instead of having to remit funds to the Secretary of State we actually expect a refund of £26 million.

33. *Repatriation of Sterling Debt.*—As I explained in my Budget Speech last year, these acquisitions of sterling continued to enable the Reserve Bank to put large amounts at our disposal for the repatriation of our sterling debt. Considerable open market purchases were made in London, particularly in the early months of the year and the total acquired in this way now stands at approximately £28½

million. As the securities market improved, however, and as the floating stock was removed, it became increasingly obvious that purchases on this scale would no longer be possible except at a cost of pushing prices up beyond a reasonable level. In these circumstances, the British Government came to our help by issuing orders under their special war powers compelling holders resident in the United Kingdom to sell their stocks to them for delivery to us at the market prices prevailing at the time of the order. The Reserve Bank agreed to provide the sterling and to guarantee the immediate financing of a scheme framed on these lines to cover all our terminable obligations, that is to say, all our sterling debt which has to be repaid on fixed dates, amounting to a total which at the prices of acquisition may be taken as approximately £90 million or Rs. 120 crores. The whole of this will, of course, not have to be paid in sterling because a certain amount, though how much we do not know yet, is held by persons who are not legally considered as resident within the United Kingdom and to whom, therefore, the order does not apply. These may be residents either in India or elsewhere. As regards the latter, the Reserve Bank has made arrangements with the Bank of England that, subject to the English regulations regarding export of capital abroad they will make an offer to non-resident holders to sell their securities on the basis of the prices fixed for their compulsory acquisition. I anticipate that many of the holders will avail themselves of this offer because once the bulk of the debt has been paid off the remaining stocks will not be easily marketable in London and it would therefore be to the advantage of the holders to dispose of them and choose some other investment. We had also to decide what terms should be given to these stocks when held by residents in this country and we decided that we would pass a corresponding compulsory order of acquisition at the same price as those fixed in London. To avoid disturbing the portfolios of insurance companies and other investors, however, we decided that we would elaborate the scheme which I mentioned to you last year

of creating rupee counterparts so as to give Indian holders the option of taking over such counterparts to the extent of the nominal value of their holdings worked out at the rate of 1*s.* 6*d.* to the rupee. I hope that this offer will be largely accepted as it will be both to the holders' advantage and ours: it will be to our advantage as it naturally lessens the immediate payments which we have to make and it will be to theirs, because the sterling prices of these loans were slightly lower than those of corresponding rupee securities, so that they should gain to a slight extent on the change.

34. This brings me to the machinery for financing the operation. There are clearly two stages: first, we buy the sterling from the Reserve Bank and secondly, we have to obtain rupees to pay for that sterling. It would be obviously quite impossible to attempt to borrow this immediately from the market even apart from our Defence borrowing requirements, and it would be inconsistent with the policy which we are following with the co-operation of the Reserve Bank of maintaining money at as cheap a level as is possible without inflation so as to minimise the burden of the war. We have found it impossible, within the limited time at our disposal, and in the absence of more definite information than is available at present of the amounts held by investors in the United Kingdom, in India and elsewhere to decide on the permanent arrangements for this purpose, but for budgetary purposes and as an interim measure pending more detailed consideration, we are adopting the procedure of maintaining the *status quo*, and of issuing in lieu of these sterling loans rupee counterparts which will bear the same rate of interest and be payable on the same dates, the only difference being that, in future, they will be payable in rupees and not in sterling. Later we shall have to determine, in consultation with the Reserve Bank, a procedure which will be simple and fair both to the general tax-payer and to the Bank, which has co-operated so readily and promptly with the Government in financing this important transaction, and which will at the same time avoid any necessity for an

automatic increase in our short-term debt which might entail dangerous inflationary consequences later.

35. The proportion in which the Reserve Bank will distribute the securities taken up by it between its Issue and Banking Departments as a longer range holding is for that bank to determine in the light of circumstances as they develop and in co-operation with Government. It is obvious, however, that the cancellation of this large block of sterling liabilities with its reduction in our overseas obligations to the extent of well over £3 million a year does permanently strengthen our external position and consequently makes it reasonable for the Reserve Bank to hold a somewhat lower proportion of external assets than previously. There is, of course, no necessity or intention of reducing the minimum percentage of the external assets which they must hold under the Act, that is to say, 40 per cent. of their note liabilities, nor is there any necessity, as has been suggested in some quarters, to effect a statutory revision of the prices at which they hold their gold. All that was necessary was to remove the restriction on the maximum amount of Government securities which the Reserve Bank can hold in their Issue Department and that has been effected by the abolition of the proviso to Section 33 (3) of their Act. This does not in any way affect their statutory responsibilities under the Act. It merely gives them a freedom of choice which they did not have in the past, as to the proportions in which they should hold Government securities or internal trade bills. It is also unnecessary, and we do not propose, to alter the limits on the Government securities which they can hold in the Banking Department.

I am afraid that it will not be possible to give precise figures until the 10th March when the returns asked for by the Bank of England and ourselves will have been received, but we are confident that the Indian securities market is so healthy that the finance of this large operation can be effected without detriment to Indian security prices and that, on the contrary, the effect on them is more likely to be stimulating.

36. The House will no doubt appreciate fully to what extent this single operation, which is the largest of its kind ever carried out in this country, will improve the financial position of India. When it is complete, we shall not only have reduced the Government of India's external debt by about Rs. 120 crores, by replacing the sterling liabilities thus cancelled with corresponding rupee liabilities, but shall also have reduced such of our interest charges as are payable in sterling by as much as 50 per cent. over the last six years. Taking the whole period since 1935, and including the amounts of sterling Railway annuities and debentures discharged each year and the transfer of our liabilities in respect of sterling family pensions, we shall have reduced our sterling obligations by over Rs. 220 crores, of which about Rs. 145 crores will have been repatriated since the beginning of the war.

37. In the past, Indian opinion has been much preoccupied, perhaps unduly so, by the so-called " drain", that is, the sum-total of the external obligations, on capital and interest account, which had of course to be met by providing sterling in London—the counterpart of the physical exports out of the sale proceeds of which these amounts were raised. It will be obvious to the House that the conversion of external into internal debt will diminish the strain upon the ultimate cash-reserves of the country—our holdings of gold and other external assets—which tends to manifest itself when, in consequence of world-events over which we have no control, the value of our overseas trade declines. There has been in certain quarters a disposition to doubt the value of these conversion operations, since they have involved a reduction for the time being, at least, in the size of the sterling holdings of the Reserve Bank. These holdings have risen greatly since the outbreak of the war, an increase which has given rise to much criticism. Even after the reduction involved in the present operations, our sterling reserves will still be in the neighbourhood of Rs. 80 crores, a figure almost exactly the same as the average sterling holdings during the last full pre-war year. But, in fact, it is not the

absolute size of the reserve which matters, but the size of the reserve in relation to the magnitude of the most pressing liabilities against which it is held. Our cash reserves are held in the first instance as a protection against external liabilities, failure to meet which would instantly react upon India's financial credit. By these operations we reduce the size of our external obligations and therefore permanently strengthen our position. I may emphasize again that these operations do not affect the size of our gold reserves in the least and do not involve any change either in monetary policy or in the day-to-day operations of the currency system.

38. The immediate object of the transactions was the replacement of sterling by rupee obligations and the real gain to the country lies in the liquidation of external obligations which might prove an embarrassment in future. Even otherwise Government are likely to be immediate gainers though at present it is not possible to estimate with any approach to accuracy the immediate effect on our revenue position. The profit due to the difference between the rate of interest earned by the Reserve Bank on its sterling investments and the redemption yield of the securities acquired at the prices paid must ultimately accrue, practically entirely, to Government either through the increase in the profits of the Reserve Bank, to the extent to which these securities are held by it, or directly to the extent to which Government hold these in their own portfolio, or cancel them from the funds which they borrow from the market. Later as the market gradually absorbs these liabilities in whatever form they will ultimately take, whether as rupee counterparts of the sterling loans they replace, or in the form of a simpler scheme of converted loans of suitable maturity, the gain may be reduced but against such reduction will, of course, be set off the increased receipts from income-tax.

39. In my judgment these operations cannot fail greatly to strengthen India's credit. There can be few

countries in the world to-day fortunate enough to possess sufficient liquid resources to repatriate a large portion of their external debt, whilst leaving their Central Bank in a position of unchallengable strength. In relation to the growing resources of India our external debt will now be of remarkably modest proportions. Should a situation ever arise in which India were required to raise capital abroad—a contingency which I for one do not foresee—the fact that our existing external liabilities are so small would obviously be of the greatest importance in determining the rate of interest which we would be required to pay.

40. There is of course another aspect of our repatriation operations at the present time and that is the manner in which they assist His Majesty's Government to finance the prosecution of the war. It is obvious that if India repays her creditors in London, then particularly at the present time and in the present conditions of the London money market the greater part of the sums so disbursed will be re-lent to His Majesty's Government probably in the form of investment in the Defence Loans and will thus become available for Britain's use in a more permanent form than when they formed part of the balances of the Reserve Bank and were invested in sterling Treasury Bills. To this extent we may well feel gratified that India in improving her own position has also contributed to facilitating the war-time problems of Britain.

41. *Treasury Bills.*—Apart from financing these repatriation operations, we would have reduced the value of treasury bills outstanding by about eight crores in the current year, despite the large expansion in Defence expenditure and the heavy outgo from Postal Savings Banks and Cash Certificates which would ordinarily have necessitated a large increase in our floating debt. For these factors have been largely offset by the favourable response given to our Defence Loans, the capital receipt of Rs. 12 crores from the Reserve Bank on account of the Re. 1 notes and silver rupees issued to them and the fact that the payment of five

crores to the Reserve Bank provided for against a return of surplus rupee coin was not required. For the moment we are reckoning on a decrease in Treasury Bills of Rs. 3½ crores during the two years taken together.

42. *Post Office Cash Certificates and Savings Banks.*—It will be observed from the Ways and Means statement, which is printed with the Explanatory Memorandum on the Budget, that the figure for net repayments of Post Office Cash Certificates has been increased in the revised estimate for the current year from Rs. 1½ crores to Rs. 10 crores, while for Postal Savings Banks deposits we are providing for a net outgo of Rs. 19 crores against the receipt of Rs. 2 crores taken in the budget. For during the period of uncertainty following the fall of France last summer there were large withdrawals from Postal Savings Banks and heavy discharges of Cash Certificates, coupled with a tendency to hoard savings in the unproductive form of silver rupees. Since then however there has been a marked and progressive improvement and for next year we are assuming a net deposit of Rs. 2 crores in Postal Savings Banks and a net repayment of Rs. 6 crores of Cash Certificates, the popularity of which has naturally been affected by the issue of Defence Savings Certificates, which provide a very similar and in some ways more attractive form of investment.

RAILWAY BUDGET 1941-42.

Extract from the proceedings of a meeting of the Legislative Assembly held in New Delhi, on Wednesday, 19th February 1941.

Speech of the Railway Member (the Hon'ble Sir Andrew Clow).

Sir,—I have the honour to present to the House the Railway Budget for 1941-42. The year that has elapsed since we discussed the Budget for the current year has been momentous. Then we had seen five months of what now seems little more than the overture to the actual war and as I then said the possible developments arising out of the war were largely hidden from our eyes. The succeeding

months, with their cataclysmic events, have altered the whole outlook here and elsewhere. The nation has realized that the war is an issue on which neutrality is impossible and it is one of its compensations that so many millions, in all walks of life, have been drawn by the common danger and the common need into a fellowship of concentrated effort. On the railways, as on our big industries, the war has had far-reaching effects. These have been, on the financial side, mainly beneficial, so that, while I am able to present a remarkable balance-sheet, it is as well to remind ourselves of the other side of the picture. Our profits are, in considerable measure, the result of traffic due, more or less directly, to the war and thus represent a devastating sacrifice not merely of property but of life and welfare.

2. Compared with the sacrifices that are being made, not only in India but by millions who have never seen India, and who are yet contributing to our railways' prosperity, any efforts that the railways have made cannot loom large; but they are doing what they can, and the effort in itself is considerable. A certain number of officers and men have gone to join the fighting forces; a great many more are engaged in ancillary war work. Whole workshops have been turned over to military needs, and those we retain are producing, in increasing quantities, various war requirements. These range from a whole ambulance train to small parts of shells, and include articles used in clothing, feeding, arming, transporting and housing the fighting forces.

3. In addition to manufacturing war equipment, we have had to provide for war needs out of what we were using ourselves. The most important development here has been the dismantling of railway lines for shipment overseas. After utilizing to the full available stocks and rails released by relaying, we had no alternative but to close and take up a number of lines. Changes in the situation have made it unnecessary as yet to go as far as at one time seemed imperative, and we have so far closed or ordered the closing of only 9 lines out of 18 which the House will find detailed

in the memorandum placed before the Central Advisory Council last December. Of the 9 lines selected for dismantling 6 were opened in the period 1927-32 and of the other 9 on the list, 7 were opened in that period. We regard all the lines notified as unremunerative so that, while I deeply regret the resulting dislocation, enhanced as it was by the shortness of the notice given, I doubt if we are doing more than taking precipitately action which, even without any war needs to satisfy, would be inevitable at a fairly early date. It is some consolation to know that lines which, if we had remained at peace, would soon have proved superfluous, are going to meet an urgent need and to feel that it is not a case, as in the last war, of leaving the tracts affected, without mechanical transport altogether. In present circumstances, the motor transport industry should be able to carry profitably most of the traffic which these branch lines found inadequate for their maintenance.

4. We have also had to defer hopes and in particular the hope of seeing the manufacture of broad gauge locomotives undertaken as a large-scale industry. The heavy demands for skilled labour, machine tools and materials resulting from the immense expansion in the production of munitions and other military requirements made it out of the question to embark at this stage on a new large-scale industry, and the workshop which we regarded as most suitable for the purpose has been completely turned over to war work. We have placed orders for 10 broad gauge locomotives for the North Western Railway and 15 for the Great Indian Peninsula Railway with the Bombay, Baroda and Central India Railway Company, but it has not yet been possible to secure all the necessary materials even for these.

Capital Position, 1940-41.

5. In entering the financial field, I propose on this occasion to deal first with the capital position and to turn later to the working results of the three years with which we are concerned. The capital at charge at the opening of

the current year was 758½ crores. To this the main asset added during the year was the Bengal-Dooars Railway, which was company-owned, and extended to 161 miles of metre gauge line. At a price of 173 lakhs it passed into our hands on 31st December last, and has been incorporated in the Eastern Bengal administration. We have opened for traffic during the year the Sind Right Bank feeder line running for 84 miles from Larkana to Jacobabad, while a small but important link on the South Indian Railway has brought the broad gauge system to the heart of the great new harbour at Cochin.

6. The chief reduction in our assets arises from the dismantling of the branch lines. If no others are added to their number, the total milage reduced by the end of the year will be about 305 miles, of which 44 are of 2' 6" gauge and the rest broad gauge. The dismantled lines on State-managed railways represent a capital of 190 lakhs. Of this amount, we shall write-off, by debit to the depreciation fund, a sum of 90 lakhs, of which we expect that 50 will be credited to the depreciation fund on account of the sale proceeds of materials. The balance represents our estimate of the amounts contributed in respect of those railways to the fund since its inception. The remaining crore we propose to meet from the railway reserve fund. In regard to Company-managed railways, the terms of their contracts do not contemplate the writing-off of capital in such cases, except to the extent of the value of released materials, which we estimate at 15 lakhs out of the total of approximately 70 lakhs of capital involved. We propose also to write-off, by means of withdrawal from the depreciation fund, a capital sum of 41 lakhs representing assets on State-managed railways, which were abandoned in previous years.

7. The House may be interested to know that there is a further sum estimated at 118 lakhs of our capital in Company-managed lines which represents abandoned assets. For the reason already mentioned, it is not practicable to write this off, but it is well to bear these dead assets in mind

in assessing our capital position and judging of the adequacy of the depreciation fund. This fund began the year with assets of 30¾ crores. The estimated net receipts during the year are 4¼ crores so that the assets at the end of this year should be 35 crores. This excludes the debt of 30¼ crores, representing raids on the fund in the years of depression; under the moratorium approved by this House, we are not at present liable to repay these and do not propose to make any repayment this year.

8. Difficulties in obtaining materials were responsible for capital expenditure on works falling well below our budget estimate. Apart from the payments for the Bengal-Dooars Railway and the Hardwar-Dehra Railway, we added only about 3¼ crores to our capital and we shall be writing-off almost the same amount. At the end of this year the capital at charge should be about 761 crores.

Capital Programme, 1941-42.

9. For next year our capital programme includes no new lines, but there will be other capital transactions of great importance. The House is already aware of the decision to terminate during next financial year the contracts of two important railways—the Bombay, Baroda and Central India Railway and the Assam Bengal Railway. These decisions were taken after reference to the Standing Finance Committee and the Central Advisory Council for Railways and as honourable members will find the main considerations set out in the proceedings of the Council, I need not enlarge upon them here. I will only say that the divided votes in both bodies reflect our own views, namely that while there were arguments of weight against purchase in both cases, and particularly in the case of the Assam Bengal Railway, where the majority in the Advisory Council was small, the balance of advantage in both cases lay with terminating the contracts. I should like to make it clear, in view of possible misapprehension, that the Government of India have never accepted the view that every contract for the working of a State-owned railway should be

terminated whenever opportunity offers, irrespective of the merits of the case. Indeed, in the case of one of these railways, the previous option, which arose in 1931, was not exercised, and all cases must be considered in the light of the advantages and disadvantages as they present themselves at the time.

10. In the present cases, as I have said, the advantages appeared to outweigh the disadvantages. The Bombay, Baroda and Central India Railway yields a good return and appears to offer a sound investment. The Assam Bengal Railway does not yield an adequate return on the capital; the Company depends for its dividend upon the 3 per cent. guarantee and there was, so far as we could foresee, no prospect of their passing the stage at which the guarantee would be inoperative and surplus profits would become available. But this does not constitute an argument against purchase, for it means that at present all losses and gains fall on Government, whether it is managed by the company or by ourselves, and the shareholders' dividends have for a number of years been entirely independent of the working results. Moreover, the bringing of the Assam Bengal Railway and the Eastern Bengal Railway under unified control, which is a step we propose to take, offers the prospect of some saving of expenditure and a little increase in traffic.

11. The disadvantages inherent in any form of State management are, I know, increasingly recognised and were prominently in the minds of some of those who considered the question on this occasion. I would like to assure the House that we, on our part, are by no means oblivious of them. Officials are at times accused of overestimating their abilities, but our faith in bureaucratic competence is considerably less than that evinced by those who are so constant in asking us to undertake new tasks. And, apart from any difficulties inherent in official management of an industrial enterprise, the handicap to efficient administration which is involved in a system rendering the organization answerable to a popular legislature not merely in respect of questions

of general policy but in respect of details must be constantly present to reflecting members of this House.

12. At the same time, the advantages of retaining adequate State control over a great organization of this kind, which is so vital to the economy of the country and which gives a living to so many of its citizens, are to my mind obvious. It is my hope that in days to come it will be possible to introduce a system which will combine these effectively with a measure of that flexibility in administration, that readiness to make experiments, that ability to decentralize and that health-giving lack of uniformity which are to-day more characteristic of private enterprise than of bureaucratic responsibility. Unless this hope can be realized, the big step we have now taken may prove anything but profitable to the commonwealth in future years.

13. In the case of the Bombay, Baroda and Central India Railway, Government already own 96 per cent. of the capital and the payments to the Company will amount to £2 million or 2⅔ crores. In the case of the Assam Bengal Railway, Government own nearly 92 per cent. of the capital and the payments to the Company will be £1½ million or 2 crores. In addition we have given notice to the Tapti Valley Railway Company of the purchase of their line, which is a broad gauge line 156 miles in length. It is owned by this Indian Company but operated by the Bombay, Baroda and Central India Railway Company. The purchase becomes effective on 31st March 1942, but as the purchase price of about 1⅔ crores will not be paid till early in 1942-43, no provision has been made in the present budget.

14. Other capital expenditure next year has been put at about 10¾ crores of which about 4 crores will be charged to capital and the rest to the depreciation fund. That fund should receive about 12¾ crores, and if there are no unexpected charges against it, the assets at the end of the year should be 41 crores. There are those who, seeing a difference between what is going into and what is coming out of the

depreciation fund, tend to assume that that difference represents money that should not go in at all. This is, of course, a fallacy and it is well to remember that in the present situation, the special difficulties in the way of making replacements and renewals must be reflected here. The curtailment of replacements represents a definite deterioration which will have to be made good at a later date.

Accounts for 1939-40.

15. I turn now to the income and expenditure of the past, the present and the coming year. Beginning with 1939-40, I estimated that the year would end with a surplus of 361 lakhs. But traffic in the last two months proved better than we expected by about 35 lakhs, while expenditure was below the estimate by half a crore. Interest and other charges were up by 19 lakhs, but miscellaneous revenue and expenditure gave us 6 lakhs more, so that we had a surplus of 433 lakhs. Even so, this did not provide the 1 per cent. on capital which had to be paid to general revenues, so that these took the whole of our surplus and carried forward a demand for a further 30 lakhs to make good the deficit. That sum comes as a first charge against this year's surplus.

Revised Estimates for 1940-41.

16. Passing to the current year, I estimated the traffic-receipts at 103 crores. That figure looks like being considerably exceeded and we have placed the revised estimate at 109¼ crores, a figure more than 11½ crores above the receipts of 1939-40. This large increase is due in part to the increases in freights and fares which were announced in the last budget statement; these are expected to have yielded over 6½ crores by the end of the year. The rest represents the actual and expected improvement in traffic. Whereas the increase we got last year was entirely in goods traffic, this year's increase has been mainly in passenger traffic. Our estimate allows for an increase in the volume of goods traffic of 2½ per cent. and in coaching traffic of 8 per cent. This increase in coaching traffic is particularly

encouraging as affording evidence of increased prosperity among the masses, and it is satisfactory to find that the increased charges have not produced the dire effects that were apprehended by some of their critics. In only a few directions did it prove desirable to grant exemptions from the enhanced scale of freights. The most important of these were the complete exemption of newsprint and newspapers and the concessions given to flour and pig iron on a number of lines. We are at the moment carrying particularly heavy traffic and are limited in respect of goods in important areas by the wagons available.

17. A shortage of wagons at this season is no new thing, but the main shortage this year has been in unusual areas and occurred in spite of big improvements in operation which have added substantially to the effective supply of wagons. An expert committee on wagon turn-round, after a rapid survey last winter, recommended a large number of improvements that are saving wagon-time. A special Transport Advisory Officer, appointed in January, was able, with the co-operation of the interests concerned, to point the way to better wagon supplies, particularly for coal. In the result during the five months ending with April last, the East Indian and Bengal Nagpur Railways were able to supply to the trade 48,000 more wagons than in the corresponding months of the previous year—an increase of about 12 per cent. We are also pressing on with works designed to secure better operation. In particular the provision of a second down line from Khana to Ondal, a work now in progress, should go a long way to assisting the East Indian Railway in meeting the demands of the coal trade, while goods yards and goods sheds are being remodelled in many places, notably Moradabad, Sealdah and Bezwada.

18. Our revised figure for working expenses and depreciation for this year is 66.71 crores, which is only seven lakhs more than the original estimate. We have saved about half a crore because prices did not rise to the extent we anticipated, but we have added an equivalent sum to

meet possible charges for war allowances and other emergent charges, so that our figures virtually mean that the substantial increase in traffic is not reflected in our expenditure figures. This, as I hope the House will agree, is not the least remarkable feature of this year's working. It has of course to be remembered that the increase in traffic is not on the same scale as the increase in earnings, for we raised the rates, and that a large part of the increase in passenger traffic goes to fill out seldom over-crowded carriages and thus does not add appreciably to our expenses. Moreover the repercussions which a sudden increase in traffic produces in the way of increased charges for maintenance and repairs are felt more in later years than at the time.

19. Adding interest charges of 28,74 lakhs to the working expenses and deducting 79 lakhs as the balance of miscellaneous receipts over expenditure, we get an expenditure figure of 94.66 crores. This has to be set against an income of 109.25 crores. I exclude on both sides a figure of 547 lakhs for worked lines. The resultant estimated surplus for the year is 14 crores 59 lakhs.

20. This, if it is realized, will be the highest surplus attained in any year since railway finances were separated. I hope that those critics who were, in the darker years, so ready to measure the railways' inefficiency by the deficits, will apply the same canons of judgment to this year's surplus. But it is a very faint hope and I do not share their views. Deficits and surpluses alike depend largely on factors outside the control of railway administrations. This is not only because they reflect so largely the economic situation in the country: it has also to be remembered that with railways under State control, the aim is not profits but service. Our rates, on which our income depends, are not fixed with a view to securing the maximum income: still less are our wages, which form the most important element in our expenses, fixed with a view to a minimum expenditure.

21. At the same time, I am convinced that the efficiency of the railways has been rising steadily in recent

years and the results now presented could not have been achieved without an immense amount of loyal work from all ranks in the railway service. They have had, in most cases, to work harder, to deal with many more passengers, to transport increased goods, to meet urgent and important demands from the military authorities. To all grades we have reason to be grateful. I would like to take this opportunity of acknowledging specially the services rendered by Sir Guthrie Russell, who relinquished the appointment of Chief Commissioner during the year to take up work more intimately connected with the war. He held that onerous and responsible post for eleven years, which were for the most part years when the task was particularly difficult. Solicitous alike for the interests of the public and of the staff, he made his influence felt in every direction and has left behind him an organization which is far more adequately equipped to meet the needs of the community than it was a dozen years ago and which secures better working conditions for those who man its ranks.

Estimates for 1941-42.

22. In framing the estimates for next year we are confronted with difficulties at least as great as those which faced us last year. We are living in a time when prophecy is particularly hazardous. No one in this House, I imagine, foresaw with any approach to accuracy the main events in the international sphere during the last year, and the only certainty is that the war has not exhausted the surprises it can bring. There are various developments that might swiftly stultify any calculations we may make ; and even events which, from the historical point of view, may be of minor importance can produce large reactions in our economic life. I would remind the House that within the last ten years the Railway Member has twice found his estimate of the year's balance more than 10 crores out on the wrong side. If unexpected variations on this scale can occur in peace time, we who face far greater uncertainties run the risk of greater falsification of our expectations.

What we have done is to put our figure for next year's receipts at a crore below the revised estimate for this year, that is, at 108¼ crores. This is simply because the few factors in the situation whose effects we can calculate seem in the aggregate to justify such a variation. Our figure for this year had to be greatly increased at the last moment on account of the phenomenal traffic figures in a few weeks in January, and it would be unsafe to bank on their repetition, while there are other factors which suggest a little caution. But I must repeat that the unknown factors are more important than those which we have considered and our figure would be more accurately described as a guess than as an estimate. Adding 78 lakhs for net miscellaneous receipts, we get a total income of 109.03 crores.

23. This allows for no important changes in freights or fares. We intend to reduce the surcharge on coal by 5 per cent. for the months from April to October inclusive : this seasonal variation is designed to encourage those who can to place their orders at times when the wagon position is easier. We are examining the question of whether the rebates designed to encourage the export of coal and wheat are still justified, and the question of whether suburban season ticket fares which were not altered when we enhanced passenger fares last year, are giving a fair return at their present levels. We are also considering whether the scale of fares for distances above 50 miles on the East Indian Railway should not be brought more into line with those in force on other State Railways. But no change will be made in these charges at present or within the next three months at least. We propose to continue the exemptions for food-grains and fodder from the increased freight given last year, because so far as we can see, extra expenditure on staff will not be on a scale rendering it necessary to secure more revenue in that direction ; but I would remind the House of the warning I gave last year that the maintenance of the exemption on food-grains must depend on the demands made on us for the remuneration of our

staff, and that the case for exemption of fodder is not so strong as it then was.

24. On the expenditure side we have put the working expenses, including depreciation, at 68.60 crores. This is an increase of 1.89 crores over this year's revised estimate ; the largest item in this increase represents a provision for possible war allowances. Interest charges are put 14 lakhs lower than last year at 28,60 lakhs, so that our expenditure has been put at 97.20 crores. This figure, and the figure I gave for receipts of 109.03 crores, exclude an item of 5½ crores which appears on both sides of the balance sheet on account of worked lines. The estimated surplus comes to 11.83 crores.

Allocation of Surplus

25. In conclusion I deal with the allocation of the surplus we expect to have. Were it not for the moratorium, this would have to go to the replacement of the loans taken from the depreciation fund, but the moratorium relieves us from this obligation for the present, and the first charge will be the unpaid balance of the 1 per cent. contribution to general revenues for last year ; this amounts to 30 lakhs.

26. The calculation of the contribution for this year brings us to the complicated provisions of the Convention governing the separation of railway finances ; most of us had forgotten how complicated these provisions were because for many years the surplus, if there was any, was not large enough to bring its complications into play. The first payment to Government consists of the 1 per cent. on the capital at charge of commercial lines, less the loss incurred on working strategic lines : this will amount to 4.63 crores. The Convention provides that the next three crores should go to the railway reserve and that thereafter only two-thirds of the surplus should go to the railway reserve. The remaining third goes to general revenues and we estimate this amount at 2.22 crores. Adding these together and the demand on account of last year, the total of the three payments comes to 7.15 crores.

27. This would seem to leave 7.44 crores for the railways, but we have to reckon with yet another provision of the Convention. This stipulates that there shall be added to the 1 per cent. contribution one-fifth of the surplus profits remaining after payment of that contribution. The fixed contribution is based on the capital at charge in the penultimate year and this one-fifth is calculated likewise. What that means is that this sum, which we estimate at 1.82 crores, is only put into the railway reserve to be taken out again in the year after next. We propose, however, to surrender this sum during next year, when the amount will be determinate. The needs of the taxpayer are needs of the present and of the immediate future and there is nothing—if we ignore a few lakhs of interest that the railways would otherwise receive—to be gained by our holding on to the money till the following year. Thus the sum which, under the convention, the railways receive " to have and to hold " is reduced to 5.62 crores.

28. From this reduced sum it is proposed to make a further large reduction outside the Convention. We propose, in fact, to surrender half of it to general revenues which will treat it as a payment against the debt to Government. Speaking for the railways, I cannot but regard that debt as in large measure the result of an arrangement which imposes on the railways a burden too heavy for normal times. But we are living in abnormal times and feel that we should do all we reasonably can by way of direct assistance to the taxpayer at a time when he needs assistance more than ever before.

29. This reduces, in the final result, the gain to the railway reserve to 2.81 crores while general revenues stand to receive, by the five amounts I have mentioned, an aggregate of 11.78 crores—9.96 crores in this year's accounts and 1.82 crores in next year's. Against the railway's credit of 2.81 crores has to be set the disbursal of a crore which I mentioned earlier, so that the railway reserve will get a net increase, if our estimates prove accurate, of 1.81 crores.

Even that, I may remind the House, has as its first object, to quote the Convention, "to secure the payment of the annual contribution to general revenues."

30. I do not propose to take the House through the calculations for next year. The figures are much more hypothetical and before the year comes to a close, we shall have to consider the position created by the expiry of the moratorium. I will only say, therefore, that on the basis of the estimates we have framed and of the system adopted for dividing this year's surplus, general revenues would receive, in addition to the payment of 1.82 crores already mentioned, sums amounting to 8.36 crores. The railway reserve would receive 3.47 crores. There would of course be the deduction of that 1.82 crores from the railway's share, but I have taken this into account in estimating the net accretion of this year at 1.81 crores, and therefore omit it here. But there would be a further liability to Government on account of the one-fifth of next year's surplus which would amount to 1.25 crores, so that the final net gain to the railways would be 2.22 crores and to general revenues 9.61 crores.

31. These results will, I realize, come as a disappointment to many who are interested in the railways. Although we expect a record surplus, and one far exceeding my estimate of a year ago, our reserve gains a very small sum. It is true that we have strengthened our capital position, but even if we take that into our calculations, the betterment to our position still falls short of the sum I hoped to receive on the basis of our original estimates—that 3 crores which the Convention treats as the first payment to the railways.

32. Railway administrators remember that in the difficult years of the last decade, they were cramped and confined in attempts to make ends meet when the ends, in their view, had been so adjusted against the railways that they could not equitably meet. Retrenchments and economies were enforced which they felt to be against the interests

of successful working and consequently against the interest of the community, which owns the railways and should be keenly interested in their prosperity. Now when the prospect appears of providing a little insurance against a recurrence of such events, general revenues come in by another door, as it were, to remove that protection. But I feel confident that when it is realized that the needs of general revenues are war needs and that the alternative to an arrangement such as we propose would be an even heavier burden on the general taxpayer than he must in any case be called upon to bear, the justification for this arrangement will be recognized.

33. I would, however, add one word of appeal. I hope that in the future this House or its successors will not forget the service which the railways have been able to render at this juncture and will be ready, when peace is restored, to give the railways generous treatment. Generosity by the community here is generosity to themselves, and a liberal policy towards the railways will not fail of its rewards.

Rules and Regulations for the Measurement for Tonnage of Cotton and other Goods in bales or packages under the orders of the Bombay Chamber of Commerce.

(*Adopted at a Special General Meeting of the Chamber, held on the 24th September* 1924.)

I. Whereas it is expedient to collate and amend the Rules and Regulations for the measurement of goods.

II. All such Rules and Regulations hitherto in force are hereby rescinded and the following are substituted therefor.

III. In the following Rules and Regulations and in any Orders that may from time to time be issued by the General Committee of the Chamber of Commerce under Rule XVII—

(*a*) Measurer shall mean a measurer appointed by the

Committee of the Chamber of Commerce for the purposes of these rules.

(*b*) Measurement shall mean measurement by such measurer.

(*c*) Shipper shall mean the person shipping the goods or his representative.

(*d*) Quay shall mean a place in the Docks or at one of the Bunders recognized for the regular shipment of goods.

(*e*) Vessel shall mean a vessel propelled by sail or steam and not being used for the conveyance of goods from the Quay to another vessel in the Port of Bombay.

(*f*) Boat shall mean a vessel, lighter or craft used for the conveyance of goods from the Quay to a vessel in the Port of Bombay.

(*g*) Package shall mean a bale, case, barrel, cask, bag or other receptacle subject to measurement.

(*h*) Consignment shall mean the whole quantity of one commodity subject to measurement to be shipped by one shipper in one vessel.

(*i*) Lot shall mean a package or number of packages forming part of a consignment and presented by one shipper at one time for measurement.

IV. Public Measurers shall be appointed under the authority of the Chamber of Commerce and stationed at the different quays to measure packages.

V. Fees, the amount of which shall from time to time be fixed under the Orders of the General Committee of the Chamber of Commerce, shall be levied in accordance with such Orders on all goods presented for measurement.

VI. No measurement shall be held good except such as are taken by a Measurer and with instruments bearing the stamp of the Chamber of Commerce.

VII. Such instruments shall be supplied and issued to the Measurers by the Chamber of Commerce.

VIII. All instruments shall be submitted to the Secretary of the Chamber of Commerce at intervals to be prescribed by the Committee and a register of such inspections shall be kept.

IX. Measurers shall be responsible for the good order of their instruments and for the prompt return to the Secretary of the Chamber of such as are defective or doubtful.

X. The Chamber's stamp borne by instruments that are found by the Secretary to be defective shall be by him defaced.

XI. Instruments on which the Chamber's stamp has been defaced may be re-stamped under the directions of the Secretary when they are in good order.

XII. Certificates of measurements shall be issued to shippers and/or to Ship Agents in such form and in such manner as the Committee for the time being shall from time to time provide.

XIII. Provided always that the Measurer may withhold or recall such certificate on his having reasonable cause to believe that an irregularity in the matter of shipment has been or is being committed in respect of the goods to which such certificate relates.

XIV. The goods measured shall be alongside the vessel within thirty-six hours after measurement, weather permitting, or the certificate shall be void and the packages shall be remeasured on board, written notice being given by the owner, agent or master of the ship to the Shipper and to the Measurer, respectively.

XV. Shippers shall as far as possible see that their goods are so arranged for measurement as not to retard the work of the Measurers.

XVI. The salaries of the Measurers and all other expense connected with this system of measurement shall be paid by the Chamber of Commerce from the Fee Fund raised under these Rules.

XVII. The Committee of the Chamber of Commerce are hereby authorized to appoint and maintain such staff of Measurers and Assistants, to fix and to pay such salaries to that staff, to fix and to collect such fees, to issue and from time to time to modify such orders, and to do all other such acts and things as may in their opinion be necessary for the proper and economical working of the system in conformity with the general principles herein laid down.

Orders for the Conduct of Measurement of Goods for Tonnage by Public Measurers in the Port of Bombay.

(Issued by the Committee of the Bombay Chamber of Commerce in pursuance of Section XVII of the Rules and Regulations adopted at a Special General Meeting of the Chamber held on the 24th September 1924.)

(1) All Orders hitherto in force for the governance of Measurers are hereby rescinded and the following are substituted.

(2) The Measurers shall be in attendance on the Quays to which they are appointed whenever there are goods to be measured. During the busy season Measurers are expected to be on duty early and late.

(3) All Measurement Fees shall be paid to the Measurement Fee Clerk, and no goods shall be measured without the production of the Customs House Pass bearing the endorsement of the said clerk to the effect that the fees have been paid.

(4) The certificates of measurements issued in conformity with Rule XII shall show—

(*a*) the date, hour and place of measurement ;
(*b*) the name of the shipper ;
(*c*) the name of the vessel ;
(*d*) the port of destination ;
(*e*) the number and description of packages :
(*f*) the marks ;
(*g*) the measurement ;

and in the case of goods shipped by boats—

(*h*) the registered number of the boat

(*i*) the name of the tindal.

The certificates of measurement shall be issued by the Measurers and shall in every case be signed by the Measurer who measured the goods.

(5) The whole of the packages forming a consignment of not more than thirty-two packages must be deposited on the Quay before measurement is taken.

(6) Consignments of more than thirty-two packages may be presented for measurement in lots of not less than thirty-two packages provided always that each lot, as soon as it is measured, is loaded into boats or shipped and that no unmeasured lot is mixed with a measured lot. Provided also that a final lot of less than thirty-two packages, being the complement of a consignment of more than thirty-two packages, may be measured separately.

(7) Shippers failing to have each lot as soon as measured loaded into boats or shipped ; or shippers mixing unmeasured goods with measured goods or permitting them to be mixed ; or shippers retarding the work of the Department by failing to move with reasonable promptitude the bales required by the Measurer to be moved for the proper performance of his duties; or shippers attempting to elude these regulations, any such persons or their representatives may be required by the Measurer to deposit on the Quay the whole complement of their consignment before measurement is taken. In all cases when such requisition is made, the Measurer making it shall briefly report in writing to the Secretary the name of the shipper against whom, the goods in respect of which and the reason for which, it has been made.

(8) A Measurer withholding or recalling a certificate under Section XIII of the Rules and Regulations adopted on the 24th September 1924 shall likewise briefly report to the Secretary in writing.

(9) No goods shall be measured otherwise than on a Quay excepting under the special conditions contemplated under Rule XIV and Order 22.

(10) Each and every package in a lot of packages not of uniform dimensions shall be measured individually. This Rule shall not apply to lots of pressed bales from various presses if the shipper arrange such diverse bales according to their respective dimensions separately on the Quay.

(11) In regard to packages of uniform dimensions the Measurer shall use his judgment as to the proportion of such goods he should measure; but such proportion shall in no case be less than five per centum of each lot. Care must be taken by the Measurers that they are not induced to measure packages that do not fairly represent the average.

(12) In no case shall a shipper's man or men be allowed to put the callipers on a package. A peon of the Chamber holding the callipers may, when standing exactly in front, pull them tight with his hands but not when standing on one side, nor shall he ever be allowed to pull the callipers towards his chest or side or to put his shoulder to them.

(13) In measurement for length, care must be taken that the legs of the callipers touch the ground and that bales when being measured lie in the same position as when in the press. Measurement of bales for depth and breadth shall be taken on the ends, half the number of bales being measured on the marked end and half on the other end.

(14) Measurers when measuring pressed bales shall ascertain whether all are from one press or not, and under orders (10) and (11) of these orders shall further ascertain how many bales there are from each press and shall give measurement accordingly and show on the certificate the number of bales to which each measurement relates.

(15) In cases where the shipper shall hand to the Measurer a letter from the owner, agent or master of the

vessel authorizing the Measurer to accept for measurement and calculation of average such packages as the said shipper may reserve for such measurement, the Measurer shall measure the packages so reserved and give a certificate on the basis of their measurement, provided that such packages represent not less than five per centum of the entire consignment.

(16) The scale of measurement fees leviable under Rules V and XVII shall be as follows :—

(*a*) On Cotton, Wool, Hemp, Aloe Fibre, Twist (white and coloured), Rags, and waste in pressed bales—pies 6 per bale.

(*b*) On Round Timber or Logs—each annas 8.

(*c*) On Gunny bales from Calcutta, Hide and Skins, Piecegoods, and all goods not included under (*a*) and (*b*), packages of divers dimensions—annas 2 per package.

Subject to a rebate of anna one per package on the Measurer's certifying that the lot measured consisted of not less than 50 packages all of uniform dimensions.

(*d*) On goods of any description measured on board a vessel—annas 2 per package.

(*e*) When the work of the Department admits of such an arrangement, the exclusive services of a Measurer for a day may be secured on payment to the Secretary of a fee of Rs. 10.

(*f*) The attendance of a Measurer on a Sunday or one of the Charter-Party Holidays when the Docks are closed may be secured on application to the Secretary, accompanied by the sum of Rs. 15 which shall be paid by him to the Measurer appointed by him to attend. The fee of Rs. 15 shall cover the services of one Measurer for one ship. If two Measurers are applied for two fees of Rs. 15 must be paid at the time of application. If a Measurer is required to work on more than one steamer a separate fee of Rs. 15 must be paid in respect of each steamer.

(*g*) The attendance of a Measurer for night duty may be secured in the same manner as above.

(17) All disputes as to the applicability of Order 16 (*d*) under Rule XIV shall be referred to the Weather Working Days Committee of the Chamber and the decision of that Committee shall be final. With respect to Order 16 (*d*) a refund of pies 6 per package will be made on declaration of the said Committee, remitted on the invitation of the

claimant that the state of the weather during the thirty-six hours of grace allowed had been such as to justify the shipper's delay in bringing the goods alongside.

(18) Refund of measurement fees in full shall be made in respect of a consignment or portion of a consignment shut out after measurement.

(19) In respect of Round Timber and Logs, the measurement to be certified, in accordance with Order 4 (*g*), shall be as follows :—

Length in feet and inches : As found with tape.

Breadth : The mean of two measurements taken with callipers at thickest and thinnest portions.

Depth : The mean of two measurements taken with callipers at thickest and thinnest portions.

The certificate shall also show under Order 4 (*a*) not only the time at which the work of measurement was commenced, but the time at which it was completed. On application to the Secretary supported by evidence of time as here provided refund will be made of the difference between the fee as prescribed under Order (16) (*b*), and a charge of Rupees Two for every hour or part of an hour actually occupied in measurement.

(20) Refund of Measurement Fees shall not be made for any sum less than three Rupees.

(21) All claims for Refund of Measurement Fees shall be made to the Secretary of the Chamber of Commerce who shall allow or disallow such claims in conformity with these Orders, but no claim for Refund of Measurement Fees shall be allowed unless presented within one month from the date of the sailing of the vessel concerned.

(22) Each Measurer shall keep a Dispute Book and it shall be competent for any shipper or the owner, agent or master of a vessel who disputes the correctness of a measurement given in respect of goods being shipped by him to call for the said Dispute Book, which the Measurer shall produce at once, and to enter therein a claim to have the goods in question or any portion of them remeasured.

And on the said shipper or the owner, agent or master of a vessel depositing with the Measurer the sum of annas 2 for each package to be measured; the Measurer shall at once remeasure such package or packages in such a manner that the shipper or the owner, agent or master of a vessel can see whether the measurement is correctly taken and shall give to the shipper or the owner, agent or master of a vessel a certificate of the measurement so found and write thereon the words " Protested Certificate. Fee paid Rs. . . . . " and the sum so paid. The Measurer shall immediately thereafter forward to the Secretary a statement of the case together with the amount of the Fee received.

Provided that on any of the stations where more than one measurer is employed, the Measurer whose measurements are disputed shall, immediately after receiving the protest and fee, call another Measurer who shall make the remeasurement in the manner above laid down, shall issue the " Protested Certificate " and forward the necessary statement to the Secretary.

(23) Should a shipper demand remeasurement under Order 22 and should such remeasurement, in the opinion of the Secretary, show the original measurement not to have been substantially correct, the extra fee of annas 2 per package shall be refunded to the shipper on demand and the case reported to the Committee.

(24) Every Measurer shall receive a book of Measurement Slips together with indelible pencil and carbon paper for making such slip in quadruplicate. The Measurer will hand to the shippers at the time of measurement the original and the third carbon copy ; the first carbon copy will be handed to the ship agent's representative on demand and the second carbon copy will be retained for the Chamber's records.

Provided that when goods are shipped in boats for delivery alongside, the said first carbon copy, belonging to the ship's agent, shall be handed to the boatman from whom it should be obtained by the ship's officers.

COAL.

Imports of Coal into Bombay by Sea and Rail.

The following return of the Imports of Coal into Bombay by Sea and Rail in the years 1934 to 1940 is printed for the information of members :—

From	1934.	1935.	1936.	1937.	1938.	1939.	1940.
By Sea.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.
Europe	6,145	6,190	5,875	14,240	9,611	200	1,422
Australia	6,852	1,800	4,584	2,751	..	..	..
Japan	..	..	1,325	469	98	..	..
Africa	..	7,143	15,805	8,643	14,552	17,006	410
Other Foreign Countries	..	..	..	..	..	285	45
Bengal	411,572	466,790	447,377	215,058	341,951	412,053	41,942
Total—By Sea ..	424,569	481,923	474,966	241,161	366,212	429,544	43,819
Total—By Rail ..	19,234	19,875	22,022	130,113	167,845	232,294	623,446
Grand Total ..	443,803	501,798	496,988	371,274	534,057	661,838	667,265

WHEAT.

The total area reported for the season 1939-40 was 34,003,000 acres as against 35,441,000 acres the previous year, or a decrease of 1,438,000 acres or 4.0 per cent. The total yield of the crop was estimated at 10,784,000 tons as compared with 9,963,000 tons the previous year or an increase of 821,000 tons or 8.0 per cent.

The following figures show the total Acreage and Outturn of Wheat in each official year from 1892-93 to 1939-40 :—

Years	Area (in thousand Acres).	Outturn (in thousand Tons).
1892-93	27,759	7,649
1893-94	28,717	7,269
1894-95	28,422	6,999
1895-96	24,071	5,380
1896-97	20,580	5,363
1897-98	24,538	7,208

WHEAT STATISTICS—*contd.*

Years	Area (in thousand Acres).	Outturn (in thousand Tons).
1898-99	25,370	6,838
1899-1900	18,638	5,357
1900-01	23,868	7,094
1901-02	23,446	6,091
1902-03	23,433	7,971
1903-04	28,413	9,641
1904-05	28,470	7,582
1905-06	26,296	8,579
1906-07	28,536	8,159
1907-08	22,806	6,104
1908-09	26,068	7,598
1909-10	28,018	9,591
1910-11	30,490	10,041
1911-12	31,141	9,925
1912-13	29,524	9,715
1913-14	28,475	8,358
1914-15	32,475	10,091
1915-16	30,320	8,652
1916-17	32,940	10,234
1917-18	35,487	9,922
1918-19	23,798	7,508
1919-20	29,949	10,122
1920-21	25,783	6,706
1921-22	28,207	9,830
1922-23	30,844	9,982
1923-24	31,181	9,660
1924-25	31,774	8,866
1925-26	30,471	8,696
1926-27	31,303	8,973
1927-28	32,193	7,791
1928-29	31,973	8,591
1929-30	31,654	10,469
1930-31	32,189	9,305
1931-32	33,803	9,024
1932-33	32,970	9,449
1933-34	35,992	9,414
1934-35	34,490	9,728
1935-36	33,639	9,420
1936-37	33,215	9,752
1937-38	35,640	10,764
1938-39	35,441	9,963
1939-40*	34,003	10,784

* Subject to revision.

Estimate of the Wheat Crop of the Season 1939-40. Share of each Province and State of Area and Yield for 1938-39 and 1939-40. (000's omitted).

Provinces and States.	Area (in Acres).			Yield (in Tons).			Increase or Decrease in the Current Year over (Per cent.)				Yield per Acre. (Lbs.)	
							Area.		Yield.			
	Current Year 1939-40.	Previous Year 1938-39.	Average of preceding 5 Years.	Current Year 1939-40.	Previous Year 1938-39.	Average of preceding 5 Years.	Previous Year 1938-39.	Average of preceding 5 Years.	Previous Year 1938-39.	Average of preceding 5 Years.	1939-40.	1938-39.
British Provinces.												
Punjab	9,566	9,526	9,491	3,760	3,235	3,201	+ 0.4	+ 0.8	+16.2	+17.5	885	761
United Provinces	8,109	8,520	7,670	3,167	2,694	2,573	— 4.8	+ 5.7	+17.6	+23.1	875	708
Central Provinces and Berar	3,184	3,382	3,390	614	672	676	— 5.9	— 6.1	— 8.6	— 9.2	432	445
Bombay	1,676	1,861	1,766	299	337	309	— 9.9	— 5.1	—11.3	— 3.2	400	406
Bihar	1,138	1,093	1,157	454	385	453	+ 4.1	— 1.6	+10.1	— 6.4	835	789
North-West Frontier Province	942	982	1,032	231	235	257	— 4.1	— 8.7	— 1.7	—10.1	549	536
Sind	1,253	1,178	992	376	365	276	+ 6.4	+26.3	+ 3.0	+36.2	672	694
Bengal	177	174	147	46	44	43	+ 1.7	+20.4	+ 4.5	+ 7.0	582	566
Delhi	42	39	46	14	14	16	+ 7.7	— 8.7	..	—12.5	747	804
Ajmer-Merwara	7	10	25	2	3	8	—30.0	—72.0	—33.3	—75.0	640	672
Orissa	4	4	(a) 3	1	1	(a) 1	..	+33.3	..	..	560	560
Total British Provinces	26,098	26,769	25,719	8,934	7,985	7,813	— 2.5	+ 1.5	+11.9	+14.3	767	668
Indian States												
Punjab States	1,477	1,494	1,474	503	442	465	— 1.1	+ 0.2	+13.8	+ 8.2	763	663
United Provinces State (Rampur)	107	106	121	37	21	32	+ 0.9	—11.6	+76.2	+15.6	774	444
*Eastern Agency States	76	77	84	17	14	14	— 1.3	— 9.5	+21.4	+21.4	501	407
Bombay States	329	427	437	85	118	120	—23.0	—24.7	—28.0	—29.2	579	877
Sind State (Khairpur)	105	102	93	37	25	30	+ 2.9	+12.9	+48.0	+23.3	789	549
Central India States	2,188	2,244	2,133	379	415	382	— 2.5	+ 2.6	— 8.7	— 0.8	388	414
Gwalior State	1,461	1,575	1,574	366	392	353	— 7.2	— 7.2	— 6.6	+ 3.7	561	537
Rajputana States	1,009	1,319	1,478	271	356	381	—23.5	—31.7	—23.9	—28.9	601	605
Hyderabad State	1,081	1,250	1,274	133	172	169	—13.5	—15.1	—22.7	—21.3	276	308
Baroda State	69	76	74	21	22	21	— 9.2	— 6.8	— 4.5	..	682	648
Mysore State	3	2	2	1	1	1	+50.0	+50.0	..	..	747	..
Total Indian States	7,905	8,672	8,744	1,850	1,978	1,968	— 8.8	— 9.6	— 6.5	— 6.0	524	511
Grand Total	34,003	35,441	34,463	10,784	9,963	9,781	— 4.1	— 1.3	+ 8.2	+10.3	710	630

* Formerly Central Provinces States. (a) Average for three years.

COTTON, 1939-40.

The preliminary Government forecast issued in August 1939 and relating to about 81 per cent. of the total area indicated an acreage of 13,713,000 acres as compared with 15,759,000 acres (revised) at the corresponding period in 1938, a decrease of 13 per cent. Weather conditons at sowing time were not quite favourable as sowings were delayed in most places by absence or deficiency of rainfall. In the Omra districts the acreage suffered on account of late arrival of the monsoon and in Kathiawar owing to very scanty rainfall at sowing time.

The final estimate issued in a supplementary memorandum at the end of April 1940 for the whole of India was 21,356,000 acres as compared with 23,482,000 acres (revised) for the season 1938-39, a decrease of 9 per cent.

Government estimated the final yield at 4,942,000 bales as compared with 5,076,000 bales (revised) for the season 1938-39, a decrease of 3 per cent. Private estimates were higher by about 8 lakhs bales without taking into consideration the 450,000 bales put down for domestic consumption.

The following figures show the movement of cotton through Bombay during the season 1939-40 :—

	Bales
Stocks on 1st September 1939 including mill stocks as estimated by the East India Cotton Association, Ltd. ..	711,906
Arrivals by rail and sea during the year ending 31st August 1940	2,247,957
Arrivals by road estimated by the East India Cotton Association Ltd., during the year ending 31st August 1940 ..	322,227
Total ..	3,282,090

Exports during the year ending 31st August 1940 :—

	Bales.	Bales.
By Sea—		
Indian Ports	51,905	
Foreign countries	1,230,880	
	1,282,785	1,282,785
By rail to up-country		442,369
		1,725,154
Bombay mill consumption		813,450
		2,538,604
*Estimated carry-over on 31st August 1940		743,486
Total ..		3,282,090

* The East india Cotton Association Ltd. estimated the stocks on 31st August 1940 as 776,573 bales,

During the whole of the season 1939-40 the cotton market was ruled by the war factor, prices varying according to the fluctuating fortunes of war. In the beginning there was a spectacular rise in prices so long as hostilities were limited to Eastern Europe but with the over-running and occupation of Norway, Denmark, Holland and Belgium by Germany several of India's export outlets were lost. This had a very depressing effect on the cotton market and later, the entry of Italy into the war followed by the collapse of France, led to a precipitous drop in prices.

Favoured by an export subsidy of one and a half cents per pound on cotton sold for export on or before 30th June 1940 American cotton was in great demand and consumers abroad filled the bulk of their requirements in American cotton to the detriment of other outside growths, chiefly Indians. From 5th December 1939 this subsidy was reduced to 75 cent points per pound and from 7th and 11th December to 40 and 20 cent points respectively. It was finally suspended on 30th January 1940.

In Bombay the season opened on September 1st 1939 with Broach April/May at Rs. 158½, Oomra December/-January at Rs. 147¾ and Bengal December/January at Rs. 122¾. On the declaration of war between Great Britain and Germany on September 3rd, prices fluctuated rapidly and violently and in sympathy with the rise in other commodity markets Broach April/May rose to Rs. 224-8 on September 15.

The issue of Ordinance No. II of 1939 by the Governor of Bombay on September 22 prohibiting option dealings in cotton, fears of a large American cotton crop, Government restrictions on the export of Indian raw cotton to neutral countries and the difficulties experienced by shippers in obtaining freight temporarily dampened the spirit of the speculative element in the market and by October 5 prices declined by about Rs. 40. Broach April/May dropping to Rs. 184½ on that day. In November large purchases by the British Government of Jute and Hessians and the lapse of the Ordinance No. II led to feverish short-covering and speculative buying by local and Calcutta interests with the result that Broach April/May rose to Rs. 305 which was touched on December 2. At this stage prices reacted sharply on fairly heavy unloading on account of weakness in the Jute and silver markets and Broach April/-May declined to Rs. 267 on December 7. At this level the market found good support from Japanese houses and better advices from Liverpool and New York led to a fresh wave of buying on the part of speculators which carried the price of Broach April/May to Rs. 338½. the peak price of the season, on December 18. The fact that there was a plentiful supply of cotton in the world and that a prolonged war might place insurmountable difficulties in the way of sending cotton across to those countries where it was required was completely ignored for the time being. However disillusionment was in store for the speculators. The high price ruling for cotton accelerated the crop movement inland and the crop was marketed at a very rapid pace. But Indian cotton was too dear on parity and demand was

slow in developing. This resulted in a steady accumulation of stocks at the ports. It soon became evident that the price raising campaign had been overdone and the bulls started to unload their holdings. Heavy and general long liquidation brought the prices tumbling down and by 13th February the Broach April/May contract had declined to Rs. 258, a decline of Rs. 80 per candy from the peak price. This shake out brought the market to a healthier position and the improvement in parity led to a broadening of demand for Indian cotton. The subsequent events in the theatre of war, however, were of a nature that did not inspire confidence in the value of commodities. The invasion of Norway, Denmark and subsequently of Holland and Belgium by Germany made further exports to those countries impossible and this had a very depressing effect on the price of cotton in India. The entry of Italy into the war on the side of Germany and the collapse of France put the finishing touches to an already tottering market and the lowest price of the season was touched on July 2, when Broach July/August stood at Rs. 147½. From this level the market recovered to some extent and the season closed on 31st August 1940 with Broach April/May 1941 at Rs. 190½. Oomra December/January 1941 at Rs. 170 and Bengal December/January 1941 at Rs. 137¾.

The following table gives details of arrivals into Bombay by Sea and Rail (arrivals by Road are not included) during the season with the total of the five previous years. (Actual weight converted into Bales of 3½ cwts. in each, after allowing 2 per cent. for tare in the case of receipts by rail.) Season ending 31st August in each case :—

Varieties.	1939-40.	1938-39.	1937-38.	1936-37.	1935-36.	1934-35.
	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.
Khandeish	55,644	38,888	53,986	206,505	308,848	254,473
Central India	109,361	225,421	53,231	338,845	291,231	110,745
Barsi Nugger	114,118	96,307	150,436	174,497	176,300	108,816
Hyderabad Gaorani	48,009	4,474	40,380	101,682	41,660	46,802
Berar	318,618	163,102	335,987	579,602	344,040	403,738
Central Provinces	76,962	40,080	87,123	114,551	99,823	96,808
Dhollera	89,297	278,134	160,279	183,099	335,935	196,518
North-West Provinces	26,079	10,893	3,112	10,399	63,996	35,306
Rajputana	35,228	82,019	16,929	97,443	115,558	51,925
Sind Punjab	387,570	340,866	528,924	354,809	473,626	335,372
Broach	409,044	415,085	267,780	343,200	413,597	133,579
Compta/Dharwars	53,357	155,706	86,276	74,887	112,062	94,076
Westerns/Northerns	38,178	99,914	30,522	40,743	78,565	74,629
Cocanada	86	98	23	155	201	435
Tinnevelly and Cambodia	1,412	2,677	9,639	22,333	20,629	86,593
Persians	484,994	..	12	14	9	2,686
Americans		3,487	178,188	20,546	27,023	75,235
Egyptians		(e) 158,340	(d) 207,314	(c) 181,525	(b) 81,236	(a) 134,623
Africans, East		238,889	341,809	284,248	185,218	258,070
Comilla, Burmah and other Sorts		‡ 267	* 1,228	† 246	482	1,155
Total	2,247,957	2,354,647	2,553,178	3,129,329	3,170,039	2,501,584

(a) Including 23,089 bales from Port Soudan.
(b) „ 18,883 „ „ „ „
(c) „ 79,824 „ „ „ „
(d) Including 68,000 bales from Port Soudan.
(e) „ 66,471 „ „ „ „

* Consisting 1,107 bales of Burmah, 69 bales of Calcutta and 52 bales of Turkistan Cotton.
† Including 106 bales of Russian Cotton.
‡ Consisting of 3 bales of Burmah, 4 bales of China and 260 bales of Calcutta Cotton.

COTTON.

RECEIPTS at, and Exports from, Bombay Port, also Mill Consumption in the Island of Bombay, since 1864

In thousands of Bales (000's omitted).

Year ending 30th June.	Receipts.	EXPORTS TO			Mill Consumption.	Total.
		Europe.	Elsewhere.	Total.		
1864 ..	..	867	3	870	American War. In 1863 and 1864 Bombay imported Cotton from China.	
1865 ..	..	1,065	1	1,066	42	1,243
1866 ..	..	1,187	14	1,201	46	1,328
1867 ..	..	1,277	5	1,282	47	1,125
1868 ..	..	1,030	48	1,078	48	1,329
1869 ..	..	1,225	56	1,281	49	1,214
1870 ..	..	1,115	50	1,165	50	1,056
1871 ..	..	967	39	1,006	52	1,102
1872 ..	1,085	1,002	48	1,050	53	1,166
1873 ..	1,151	1,079	34	1,113	67	1,018
1874 ..	978	917	34	951	83	1,300
1875 ..	1,311	1,192	25	1,217	135	1,440
1876 ..	1,345	1,285	20	1,305	147	1,162
1877 ..	1,073	980	35	1,015	161	1,119
1878 ..	1,141	920	38	958	204	1,050
1879 ..	961	800	46	846	181	897
1880 ..	832	652	64	716	220	1,128
1881 ..	1,171	874	34	908	277	1,885
1882 ..	1,832	1,521	87	1,608	313	1,743
1883 ..	1,770	1,335	95	1,430	348	1,743
1884 ..	1,759	1,295	100	1,395	392	1,253
1885 ..	1,139	791	70	861	391	1,461
1886 ..	1,480	1,009	61	1,070	454	1,641
1887 ..	1,703	1,147	40	1,187		

Year ending 30th June.	Receipts.	EXPORTS TO			Mill Consumption.	Total.
		Europe.	Elsewhere.	Total.		
1888 ..	1,472	893	58	951	500	1,451
1889 ..	1,851	1,286	46	1,332	565	1,897
1890 ..	2,235	1,488	71	1,559	636	2,195
1891 ..	2,020	1,070	107	1,177	762	1,939
1892 ..	1,770	905	202	1,107	728	1,835
1893 ..	1,738	816	169	985	724	1,709
1894 ..	1,769	908	159	1,067	731	1,798
1895 ..	1,540	525	143	668	815	1,483
1896 ..	2,151	800	346	1,146	849	1,995
1897 ..	1,612	603	405	1,008	703	1,711
1898 ..	1,730	424	409	833	817	1,650
1899 ..	2,033	578	520	1,098	951	2,049
1900 ..	988	117	444	561	745	1,306
1901 ..	1,896	620	340	960	696	1,656
1902 ..	2,142	525	732	1,257	987	2,244
1903 ..	2,454	921	349	1,270	986	2,256
1904 ..	2,151	1,036	423	1,459	973	2,432
1905 ..	2,609	384	664	1,048	1,072	2,120
1906 ..	2,663	1,017	477	1,494	1,141	2,635
1907 ..	2,949	1,169	747	1,916	1,116	3,032
1908 ..	2,123	731	454	1,185	1,079	2,264
1909 ..	2,166	643	723	1,366	1,099	2,465
1910 ..	3,152	1,054	968	2,022	984	3,006
1911 ..	2,467	1,014	668	1,682	953	2,635
1912 ..	2,540	383	923	1,306	1,078	2,384

COTTON.

RECEIPTS at, and Exports from, Bombay Port, also Mill Consumption in the Island of Bombay, since 1864

In thousands of Bales (000's omitted). —*contd.*

Year ending 31st August.	Receipts.		Total Receipts.	Exports.			Total Exports.	Mill Consumption.	Total.
	India.	Foreign Countries		Europe.	China and Japan.	Elsewhere.			
1913	2,733	46	2,779	534	1,023	30	1,587	*1,072	2,659
1914	3,733	6	3,739	1,301	1,245	24	2,570	1,078	3,648
1915	2,683	5	2,688	405	1,441	15	1,861	1,026	2,887
1916	3,133	6	3,139	294	1,691	8	1,993	1,096	3,089
1917	3,103	17	3,120	302	1,321	7	1,630	1,135	2,765
1918	2,279	27	2,306	293	1,213	7	1,513	1,068	2,581
1919	2,525	18	2,543	195	885	11	1,091	1,000	2,091
1920	3,405	22	3,427	629	1,579	24	2,232	957	3,189
1921	2,786	116	2,902	494	1,381	26	1,901	1,061	2,962
1922	3,383	109	3,492	645	1,896	52	2,593	1,074	3,667
1923	3,611	61	3,672	851	2,086	53	2,990	1,060	4,050
1924	3,227	93	3,320	1,104	1,558	53	2,715	821	3,536
1925	3,573	95	3,668	713	2,021	33	2,767	995	3,762
1926	3,208	127	3,335	552	1,874	26	2,452	778	3,230
1927	2,692	474	3,166	415	1,539	27	1,985	995	2,980
1928	3,235	189	3,424	798	1,391	34	2,223	569	2,792
1929	3,233	123	3,356	906	1,796	61	2,763	631	3,394
1930	3,317	163	3,480	946	1,647	63	2,656	877	3,533
1931	2,933	470	3,403	599	1,903	27	2,529	839	3,368
1932	1,557	538	2,095	154	762	38	954	921	1,875
1933	2,286	249	2,535	426	1,200	30	1,656	798	2,454
1934	2,293	223	2,516	396	1,136	23	1,555	613	2,168
1935	2,031	471	2,502	413	1,171	34	1,618	885	2,503
1936	2,877	293	3,170	516	1,464	34	2,014	836	2,850
1937	2,643	486	3,129	487	1,591	53	2,131	828	2,959
1938	1,825	728	2,553	354	803	64	1,221	1,037	2,258
1939	1,953	401	2,354	138	865	21	1,024	987	2,011
1940	1,763	485	2,248	..	..	..	1,283	743	2,026

N.B.—As noted in the Chamber's Report for 1913, the figures shown above represent the volume of trade in cotton from 1st September to 31st August instead of for the year ending 30th June as was previously the case.

*Year ending 30th June.

RAINFALL AT BOMBAY, 1843 TO 1940.

The following statement showing the Rainfall recorded at the Colaba Observatory, Bombay, for each month during the years 1843-1940, is published for the information of members :—

Year.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.	Annual Total.
1843	..	..	..	..	0.15	7.61	20.62	17.70	8.39	0.77	..	..	55.24
1844	0.06	0.33	..	..	..	18.58	29.28	5.91	8.05	0.40	..	0.10	62.71
1845	..	..	..	..	..	17.88	18.07	9.54	8.63	..	..	..	54.12
1846	..	..	..	..	..	26.41	33.19	6.65	6.65	1.03	..	..	73.93
1847	0.09	0.02	..	0.31	1.40	37.56	16.46	8.68	5.68	0.28	5.53	..	76.01
1848	..	..	..	0.59	5.67	39.98	13.90	7.37	2.32	5.84	0.19	..	75.86
1849	0.34	..	..	..	..	23.41	50.99	12.66	26.13	0.75	0.61	..	114.89
1850	..	..	..	..	..	14.80	20.15	5.39	4.77	4.89	0.25	..	50.25
1851	..	..	..	..	0.52	24.50	47.02	20.03	3.89	0.04	0.07	..	96.07
1852	..	..	..	0.01	..	0.30	21.76	22.17	11.16	12.67	0.19	..	1.01	69.27
1853	..	..	0.05	0.02	..	..	33.76	13.05	5.95	9.83	..	..	..	62.66
1854	..	..	..	..	..	..	16.34	38.95	3.90	13.61	7.49	1.85	..	82.14
1855	..	..	..	..	..	..	29.18	11.83	3.82	5.29	9.06	..	..	50.18
1856	..	..	..	..	..	2.09	24.66	24.48	6.73	7.78	0.06	..	0.12	65.92
1857	..	..	..	..	..	0.57	9.26	8.74	15.71	14.21	2.78	..	..	51.27
1858	..	..	..	..	0.15	1.57	14.44	20.12	7.48	15.47	3.22	..	..	62.45
1859	..	..	..	..	..	..	26.87	28.70	14.59	5.94	1.06	..	..	77.16
1860	..	..	..	..	..	0.03	21.97	22.39	7.11	8.15	2.50	..	..	62.15
1861	..	..	..	..	..	0.69	15.43	25.34	30.35	3.24	1.86	..	..	76.91
1862	..	..	..	..	..	0.01	22.31	15.10	12.65	21.69	1.42	0.45	..	73.63
1863	..	0.41	..	..	4.11	0.07	23.41	30.78	10.60	9.98	2.32	..	..	77.68
1864	..	..	..	..	..	0.01	15.42	13.36	10.72	5.59	..	0.47	..	45.57
1865	..	0.38	..	..	..	..	10.61	18.28	36.42	4.86	6.16	1.14	..	77.85
1866	..	..	0.11	..	..	..	13.47	40.34	20.34	3.44	0.74	..	..	78.44
1867	..	..	..	..	..	..	8.70	39.39	12.21	6.80	5.07	0.13	..	72.30
1868	..	..	..	0.01	..	..	13.52	20.43	20.29	7.71	0.14	0.02	..	62.12
1869	..	..	..	..	..	0.03	26.22	23.89	15.24	22.56	3.55	0.05	0.12	91.66
1870	..	..	..	0.03	0.02	..	21.73	26.43	6.27	7.08	4.65	..	..	66.21
1871	2.22	..	..	..	..	1.25	8.91	9.96	8.95	6.01	0.25	2.97	0.06	40.58
1872	..	..	..	..	..	0.06	24.43	24.84	9.49	16.59	1.07	..	..	76.48
1873	..	0.05	..	..	..	0.51	20.36	16.98	23.96	7.77	0.07	..	..	69.70
1874	..	..	..	..	..	0.05	18.68	41.24	11.14	11.05	0.02	..	..	82.18
1875	0.47	..	..	..	..	..	24.36	15.39	12.23	31.76	..	0.35	..	84.56
1876	..	..	..	..	..	0.01	12.97	23.69	8.66	4.68	..	..	..	50.01
1877	0.22	0.52	..	..	..	..	35.58	11.10	8.51	8.89	8.33	..	..	73.15
1878	0.03	..	..	0.02	0.02	19.99	48.33	0.46	16.42	4.89	2.61	..	..	112.77
1879	..	..	0.03	..	5.23	16.56	11.21	22.36	5.61	0.40	..	..	..	61.40
1880	..	0.01	0.02	..	..	21.48	18.37	4.08	22.80	1.18	..	..	..	67.94
1881	..	..	0.04	..	0.36	15.29	29.47	19.06	4.56	4.17	0.09	..	..	73.04
1882	..	0.04	0.02	0.08	0.02	27.54	26.94	3.36	10.08	1.12	0.03	..	..	69.23
1883	0.12	..	..	..	0.33	13.65	39.88	12.57	12.37	10.40	0.86	..	..	90.18
1884	0.03	..	..	..	..	13.25	25.87	15.29	17.04	2.22	0.60	1.14	..	75.44
1885	..	..	..	..	0.02	5.11	21.81	25.42	12.01	3.54	..	..	..	67.91
1886	..	..	..	0.01	0.96	43.45	35.79	10.69	6.54	1.69	0.61	..	..	99.74
1887	..	..	..	0.02	0.09	24.07	30.98	17.69	18.23	2.79	1.02	0.16	..	94.95
1888	1.85	0.02	0.10	..	..	15.76	22.47	11.43	4.92	0.11	1.16	..	..	57.82
1889	..	..	..	..	0.67	19.89	30.45	10.32	2.71	3.80	..	..	..	67.84
1890	..	..	..	0.01	0.06	24.55	21.54	10.61	6.45	0.58	1.25	1.13	..	66.18
1891	..	..	0.22	..	..	13.99	32.48	6.94	22.53	1.04	..	..	..	77.20
1892	..	..	..	..	0.11	13.30	23.86	36.56	18.73	1.89	0.67	..	..	95.12
1893	..	0.14	..	0.02	6.30	21.47	16.14	13.55	7.54	0.45	1.63	..	..	67.24
1894	0.22	..	0.06	0.01	..	16.87	26.16	8.40	12.04	3.08	..	0.01	..	66.85
1895	..	0.07	..	..	0.08	17.84	18.04	15.97	11.91	3.62	0.06	..	..	67.59
1896	..	..	..	..	0.26	28.02	36.44	20.77	1.62	0.01	0.53	..	..	87.65
1897	0.01	..	..	..	..	14.40	30.19	13.82	20.60	2.51	0.22	..	..	81.75
1898	..	0.17	..	..	0.16	27.21	20.72	5.28	19.94	0.48	0.13	..	..	74.09
1899	..	..	..	1.57	0.08	20.81	4.72	5.23	3.49	..	..	..	..	35.90
1900	..	..	..	..	..	18.26	25.75	17.62	7.49	..	..	..	..	69.12
1901	0.74	..	..	0.04	0.01	25.36	32.70	14.27	1.81	0.39	..	..	..	75.32

Year.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.	Annual Total.
1902	..	..	..	..	..	9.77	16.96	16.53	27.11	0.78	0.01	0.81	71.99
1903	..	..	..	0.17	..	7.79	19.75	24.82	18.23	7.82	5.91	..	..	84.42
1904	..	..	..	0.07	..	0.02	15.10	10.14	5.72	1.81	0.56	..	..	33.42
1905	..	..	0.08	..	..	..	6.53	15.30	4.35	6.16	0.20	1.04	..	33.56
1906	..	..	0.15	..	..	..	12.91	18.34	20.92	3.98	..	..	..	56.30
1907	..	..	0.27	..	0.06	..	22.48	59.05	15.99	2.26	0.67	..	..	100.73
1908	..	0.09	0.07	0.06	..	..	12.39	23.65	9.87	6.79	0.62	..	..	53.54
1909	..	..	..	..	..	..	16.60	30.05	8.52	16.05	..	..	..	71.22
1910	..	..	..	..	..	0.03	23.50	6.50	18.15	15.25	4.29	0.14	..	57.86
1911	..	0.06	..	..	..	0.04	10.85	15.24	17.09	2.96	..	0.27	..	46.51
1912	..	..	..	..	..	0.43	10.79	25.40	9.90	3.26	0.65	3.62	..	54.05
1913	..	..	0.07	..	..	..	25.31	33.33	3.72	5.75	2.35	..	..	71.03
1914	..	..	0.08	..	0.07	..	16.65	30.13	13.27	11.06	0.01	0.18	..	91.45
1915	..	..	0.30	0.69	0.06	0.36	39.78	14.62	8.45	10.78	2.55	0.02	..	77.67
1916	..	..	..	..	0.04	0.07	23.43	22.78	19.51	14.59	4.79	0.72	..	85.93
1917	..	..	1.68	..	..	0.88	14.96	13.26	32.18	16.92	19.96	..	..	99.84
1918	..	..	..	1.46	..	11.00	10.82	4.25	4.81	3.11	..	0.09	..	35.54
1919	..	0.11	..	..	..	..	16.31	31.30	10.85	8.03	1.54	0.18	..	68.32
1920	..	0.99	0.33	..	..	..	8.16	22.00	5.18	4.05	0.34	..	..	41.05
1921	..	..	..	..	..	..	26.74	35.68	10.36	13.02	0.22	..	..	86.02
1922	..	..	..	..	..	..	26.48	31.15	5.08	6.95	0.61	..	0.14	70.41
1923	..	..	0.05	..	0.02	..	7.19	43.26	8.72	18.32	..	..	..	77.56
1924	..	..	..	..	..	..	7.46	16.73	15.43	12.13	0.06	0.38	..	52.19
1925	..	..	..	..	..	2.76	27.86	8.38	7.71	3.52	0.22	0.37	..	50.82
1926	..	2.99	..	..	..	0.10	6.19	30.88	22.21	8.98	1.29	..	..	72.64
1927	..	..	0.04	0.03	..	..	32.52	16.85	6.74	5.33	7.30	5.48	0.09	74.38
1928	..	..	0.01	..	..	..	27.71	30.93	16.65	9.91	0.43	0.09	..	85.72
1929	..	0.63	..	0.02	0.04	..	25.45	16.08	6.06	5.58	4.82	0.22	0.86	59.76
1930	..	..	..	..	..	0.02	26.71	10.26	6.64	43.85	52.50	..	..	89.98
1931	..	..	..	..	0.01	..	6.08	47.50	23.71	4.48	13.07	2.40	0.69	97.94
1932	..	..	..	..	..	..	10.62	35.30	6.96	11.13	9.01	0.01	..	73.03
1933	..	..	..	..	..	2.85	10.29	14.15	18.81	12.31	3.04	0.01	0.93	62.37
1934	..	..	..	..	..	..	28.5	21.4	14.00	5.00	0.20	3.80	..	73.81
1935	..	..	..	..	..	..	27.9	24.10	16.69	11.90	1.04	0.18	..	81.60
1936	..	..	..	..	..	0.33	32.63	8.09	9.27	5.72	0.01	2.31	..	58.36
1937	..	..	0.50	..	0.10	..	18.32	30.40	5.40	14.20	1.70	..	..	70.62
1938	..	..	..	..	..	1.3	31.3	16.00	16.80	10.3	15.2	1.1	..	92.00
1939	..	..	..	..	..	..	4.67	33.07	10.88	5.39	0.17	..	..	54.18
1940	..	..	..	..	..	..	29.98	21.03	28.27	11.26	4.89	0.76	..	96.19

RAINFALL OF THE YEAR 1940.

The following table is compiled from the Reports issued by the Meteorological Department in order to present, in a condensed form, a definite record of the weather during the South-West Monsoon months of the past year and also during the whole year :—

Division.	Station.	From 1st June to 31st Oct. 1940.	Departure from normal during period.	From 1st Jan. to 31st Dec. 1940.	Annual normal.
Bay Islands ..	Port Blair	82.7	+0.3	120.0	123
Burma	Victoria Point	115.6	—12.1	150.7	166
	Rangoon	93.4	+11.9	109.3	99
	Diamond Island	81.8	—17.8	109.9	118
	Akyab	170.7	—9.7	193.8	208

Division	Station.	From 1st June to 31st Oct. 1940.	Departure from normal during period.	From 1st Jan. to 31st Dec. 1940.	Annual normal.
BURMA	Mandalay	23.2	+ 0.5	37.8	32
ASSAM	Dibrugarh	56.0	—21.2	87.0	108
	Sibsagar	65.7	+ 1.4	96.5	96
	Tezpur	46.3	— 6.9	71.0	74
	Gauhati	49.6	+ 4.1	71.0	65
	Dhubri	59.7	—13.8	88.9	97
	Silchar	95.4	+13.3	134.1	125
BENGAL	Cox's Bazar	121.7	+ 3.8	140.2	141
	Chittagong	91.1	+ 9.9	122.9	103
	Dacca (Narayanganj)	56.3	+ 3.0	73.1	74
	Barisal	64.6	+ 1.7	82.2	82
	Jessore	35.3	—13.9	54.9	66
	Calcutta	48.8	— 2.4	62.0	63
	Saugor Island	76.2	+16.9	86.3	69
	Burdwan	36.3	— 9.8	46.7	59
	Berhampore	28.9	—18.2	40.2	57
	Mymensingh	44.7	—25.6	63.9	93
	Bogra	40.9	—16.1	56.2	71
	Dinajpur	48.6	—10.9	57.8	71
	Jalpaiguri	116.3	+11.5	141.7	122
ORISSA	Balasore	77.4	+27.3	87.5	63
	Chandbali	69.8	..	..	61
	Cuttack	62.5	+12.3	74.7	59
	Gopalpur	50.9	+15.0	72.1	45
	Sambalpur	58.9	— 1.7	66.0	66
CHOTA NAGPUR ..	Chaibasa	..	..	39.9	52
	Ranchi	45.0	— 4.6	56.0	57
	Hazaribagh	36.4	—10.6	45.9	53
	Daltonganj	35.1	— 5.2	43.9	45
BIHAR	Purnea	32.9	—21.9	38.8	62
	Darbhanga	39.7	..	38.9	..
	Patna	40.1	— 4.3	45.9	49
	Gaya	34.0	— 9.6	36.5	47
	Naya Dumka	36.1	—13.9	49.3	57
UNITED PROVINCES, EAST.	Gorakhpur	30.8	—15.6	87.2	50
	Benares	38.6	+ 1.1	43.6	41
	Allahabad	27.5	..	33.6	..
	Cawnpore	21.5	—11.8	26.1	36
	Lucknow	28.6	— 6.4	33.3	39
	Bahraich	35.3	+ 5.1	41.1	45
UNITED PROVINCES, WEST	Jhansi	32.8	— 1.1	38.2	36
	Agra	15.4	— 9.1	18.4	27
	Mainpuri	28.1	+ 4.1	32.1	27
	Bareilly	46.7	+ 7.3	52.3	44
	Meerut	17.1	—10.5	22.3	32
	Roorkee	38.1	+ 2.2	43.9	42
	Dehra Dun	54.5	—19.5	67.9	88
PUNJAB, EAST AND NORTH.	New Delhi	18.1	— 5.0	22.1	27
	Hissar	9.2	— 5.6	13.1	18
	Ambala	22.7	— 1.5	28.0	30
	Ludhiana	25.7	+ 3.3	30.8	29
	Lahore	8.7	— 6.4	13.1	20
	Sialkot	29.6	+ 6.7	36.1	31
	Rawalpindi	22.3	— 0.8	30.8	35
PUNJAB, SOUTH-WEST.	Khushab	10.1	+ 0.3	14.7	15
	Lyallpur	3.3	— 8.0	6.0	13
	Montgomery	7.0	— 1.0	10.3	11
	Leih	2.0	..	..	..
	Multan	3.2	— 1.9	5.1	7
	Fort Abbas	7.6	..	..	..
	Bahawalpur	4.0	+ 0.1	6.2	6
	Khanpur	4.6	— 0.2	14.8	7

Division.	Station.	From 1st June to 31st Oct. 1940.	Departure from normal during period.	From 1st Jan. to 31st Dec. 1940.	Annual normal
KASHMIR	Srinagar	9.6	+0.7	22.1	26
	Sonamarg	16.7	+ 1.1	72.9	71
	Dras	3.3	0.0	25.9	22
	Leh	2.7	+ 1.0	4.4	3
	Skardu	0.8	— 1.2	4.4	7
	Gilgit	1.7	— 0.3	..	5
N. W. FRONTIER PROVINCES.	Peshawar	1.7	— 3.1	10.0	14
	Miranshah	7.2	..	16.3	..
	Dera Ismail Khan	2.5	— 2.9	..	9
BALUCHISTAN	Fort Sandeman	3.3	— 2.3	10.4	11
	Harnai	7.6	— 0.1	13.5	13
	Quetta	0.6	..	4.2	10
	Chaman	..	— 0.2	6.4	7
	Kalat	0.2	— 1.1	6.3	7
	Dalbandin	..	— 0.3	3.3	4
	Nokkundi	0.1	..	6.3	..
	Panjgur	0.8	..	..	5
	Pasni	0.1	— 1.0	5.7	6
SIND	Jacobabad	2.0	— 0.3	3.3	4
	Naushahro	3.1	..	4.2	4
	Hyderabad	4.5	— 1.5	6.8	7
	Karachi	4.6	— 1.3	10.8	8
	Badin	4.2	..	8.1	9
RAJPUTANA, WEST.	Sri Ganganagar	8.2	..	..	10
	Bikaner	7.3	..	8.2	..
	Jodhpur	10.1	— 2.2	12.9	14
	Barmer	9.9	..	11.7	10
RAJPUTANA, EAST.	Jaipur	26.5	+ 4.5	30.2	24
	Ajmer	27.3	+ 8.7	31.8	21
	Kotah	16.9	— 9.3	20.1	28
	Brijnagar	36.1	..	39.5	36
	Udaipur	19.6	— 2.4	21.8	24
GUJARAT	Deesa	14.4	— 9.3	16.7	25
	Bhuj	8.0	— 5.8	15.7	14
	Dwarka	6.5	— 6.3	8.9	14
	Rajkot	15.9	— 9.5	13.4	26
	Veraval	25.3	+ 7.3	26.9	19
	Surat	61.0	+20.8	63.5	41
	Bhavnagar	26.9	+ 6.8	27.6	21
	Ahmedabad	16.7	—11.2	18.1	29
	Dohad	27.2	..	29.5	29
	Baroda	28.5	..	29.1	..
CENTRAL INDIA, WEST.	Guna	43.8	..	47.9	..
	Neemuch	33.3	+ 5.8	35.9	29
	Indore	44.0	+12.8	48.1	33
	Bhopal	42.7	..	48.3	44
CENTRAL INDIA. EAST.	Nowgong	17.7	—22.2	20.7	43
	Sutna	29.3	—12.0	33.8	45
BERAR	Akola	35.1	+ 6.5	36.4	31
	Amraoti	38.9	+ 8.9	42.3	33
	Khandwa	36.6	+ 8.8	39.7	30
	Hoshangabad	57.9	+11.9	59.4	49
CENTRAL PROVINCES, WEST.	Saugor	59.1	+ 8.1	51.4	45
	Jubbulpore	48.3	— 3.0	51.2	55
	Seoni	59.3	+10.6	63.6	53
	Nagpur	65.4	+20.6	66.9	49
CENTRAL PROVINCES, EAST.	Pendra	51.8	+ 8.1	58.8	50
	Raipur	48.4	+ 1.7	51.6	51
	Kanker	54.1	..	58.7	51
	Chanda	64.4	+16.7	67.9	52
	Jagdalpur	47.1	— 9.4	49.8	64
KONKAN	Bombay	95.4	+26.4	97.5	71
	Ratnagiri	98.9	+ 1.6	100.7	100
	Marmagoa	116.1	..	118.2	..
	Karwar	133.7	..	135.5	..

Division.	Station.	From 1st June to 31st Oct. 1940.	Departure from normal during period.	From 1st Jan. to 31st Dec. 1940.	Annual normal.
Bombay Deccan.	Jalgaon	29.3	..	31.1	29
	Malegaon	16.2	— 3.9	19.6	22
	Ahmednagar	20.2	+ 0.7	23.2	22
	Khandala	210.6	..	215.5	..
	Poona	23.0	— 1.0	25.4	27
	Sholapur	27.1	+ 2.6	30.4	28
	Miraj	13.5	..	15.9	25
	Bijapur	14.1	— 3.1	17.0	21
	Belgaum	45.6	+ 2.1	51.7	50
	Gadag	13.3	..	20.1	25
Hyderabad, North.	Aurangabad	25.9	+ 1.1	29.1	28
	Parbhani	39.3	+10.3	40.9	33
	Nizamabad	38.0	+ 1.2	41.6	40
Hyderabad, South.	Gulbarga	22.3	— 4.8	26.5	31
	Hyderabad (Bpt.)	20.3	— 6.9	26.6	32
	Hanamkonda	37.4	+ 7.1	47.0	34
	Chitaldrug	26.8	+ 8.9	34.0	25
Mysore ..	Bangalore	20.2	— 5.1	40.5	35
	Mysore	25.9	+ 5.6	48.4	31
	Mangalore	134.9	+20.5	150.7	126
Malabar ..	Calicut	113.4	+21.6	128.8	117
	Cochin	104.3	+15.9	132.1	114
	Trivandrum	46.8	+ 7.2	71.8	65
	Palamcottah	8.3	— 1.3	33.7	28
	Pamban	12.5	+ 0.9	48.4	37
	Madura	20.6	+ 0.1	..	..
	Negapatam	12.3	— 8.6	76.3	55
Madras South East.	Trichinopoly	16.9	— 1.6	36.7	33
	Coimbatore	11.2	— 1.0	40.9	22
	Salem	23.7	— 3.4	39.7	39
	Cuddalore	23.2	— 3.5	77.3	53
	Vellore	20.6	— 7.0	37.9	42
	Madras	18.1	— 9.0	52.2	51
Madras, Deccan.	Cuddapah	24.7	+ 0.7	39.9	31
	Bellary	12.3	— 2.7	22.1	21
	Kurnool	24.3	+ 1.8	29.1	26
	Anantapur	19.7	..	..	25
	Rentichintala	15.1	..	26.4	..
	Nellore	15.8	— 4.6	82.1	38
Madras Coast, North.	Masulipatam	28.9	— 3.2	41.2	42
	Cocanada	29.7	..	46.0	39
	Vizagapatam	20.9	— 7.4	34.6	37
	Calingapatam	30.0	— 3.3	45.8	42
Hill Stations, excluding Kashmir and Baluchistan.	Shillong	67.3	— 4.6	89.3	84
	Cherrapunji	307.3	—25.7	378.6	424
	Darjeeling	78.2	—34.3	96.9	131
	Muktesar	42.9	+ 2.6	..	52
	Mussooree	84.0	+12.9	93.0	84
	Simla	41.3	+ 7.3	52.1	64
	Dharampur	34.3	..	51.0	55
	Dalhousie	57.3	— 0.4	75.9	85
	Murree	34.4	— 3.3	57.5	60
	Chera	12.9	+ 1.1	26.4	28
	Parachinar	14.4	..	36.1	30
	Drosh	5.9	..	26.3	17
	Mount Abu	47.6	—10.9	50.2	61
	Pachmarhi	87.8	+15.2	91.8	77
	Mahableshwar	245.8	—14.3	248.3	265
	Mercara	124.6	+12.3	143.0	125
	Kodaikanal	30.9	— 2.1	73.8	62
	Ootacamund	31.0	— 4.3	55.8	56
Ceylon ..	Colombo	40.2	+ 4.9	82.8	84

STATEMENT showing the Total Measurement of Bales and Miscellaneous Packages with Receipts, Expenditure, etc.

Year ending	No. of Bales and Packages measured.	Receipts.	Expenditure.	Surplus Receipts.	Excess of Expenditure.
		Rs.	Rs.	Rs.	Rs.
From 18th May 1870 to 30th November 1872	Not recorded.	52,215	36,315	15,900	..
From 1st Dec., 1872 to 30th November 1873	1,086,577	16,995	15,291	1,704	..
Year ending 30th November 1874 ..	1,402,379	21,707	18,986	2,721	..
Do. 30th November 1875 ..	1,474,470	23,039	22,009	1,030	..
Do. 30th November 1876 ..	1,240,034	19,375	22,355	..	2,980
Do. 30th November 1877 ..	1,101,318	18,324	21,561	..	3,237
Do. 30th November 1878 ..	1,040,961	20,837	23,287	..	2,450
Do. 30th November 1879 ..	887,100	28,808	20,140	8,668	..
Do. 30th November 1880 ..	1,163,545	33,219	20,084	13,135	..
Do. 30th November 1881 ..	1,313,592	25,177	24,029	1,147	..
Do. 30th November 1882 ..	1,892,796	33,225	24,757	8,468	..
Do. 30th November 1883 ..	1,852,047	33,792	25,605	8,187	..
Do. 30th November 1884 ..	1,814,986	33,404	22,604	10,800	..
Do. 31st December 1885 ..	1,402,845	29,482	24,385	5,097	..
Do. 31st December 1886 ..	1,748,856	32,893	21,582	11,311	..
Do. 31st December 1887 ..	1,845,446	35,933	20,017	15,916	..
Do. 31st December 1888 ..	1,659,273	36,371	21,057	15,314	..
Do. 31st December 1889 ..	2,156,604	43,042	21,648	21,394	..
Do. 31st December 1890 ..	2,330,935	45,872	23,171	22,701	..
Do. 31st December 1891 ..	2,012,900	39,533	23,402	16,131	..
Do. 31st December 1892 ..	1,946,389	38,017	24,495	13,522	..
Do. 31st December 1893 ..	1,691,755	32,517	24,273	8,244	..
Do. 31st December 1894 ..	1,708,723	33,665	25,156	8,509	..
Do. 31st December 1895 ..	1,679,325	34,921	21,546	13,375	..
Do. 31st December 1896 ..	2,049,862	40,061	22,240	17,821	..
Do. 31st December 1897 ..	1,746,610	33,956	22,484	11,472	..
Do. 31st December 1898 ..	1,910,140	36,174	21,100	15,074	..
Do. 31st December 1899 ..	2,132,663	41,684	21,041	20,643	..
Do. 31st December 1901 ..	1,147,591	28,302	20,844	7,458	..
Do. 31st December 1902 ..	2,947,198	45,497	21,918	23,579	..
Do. 31st December 1903 ..	2,159,823	43,709	26,865	16,844	..
Do. 31st December 1904 ..	2,664,171	53,654	31,522	22,132	..
Do. 31st December 1905 ..	2,292,791	48,673	19,666	29,007	..
Do. 31st December 1906 ..	2,534,599	53,255	21,427	31,828	..
Do. 31st December 1907 ..	2,685,432	54,215	23,516	30,699	..
Do. 31st December 1908 ..	2,976,312	60,171	27,054	33,117	..
Do. 31st December 1909 ..	2,302,349	48,844	29,706	19,138	..
Do. 31st December 1901 ..	2,736,023	57,502	28,310	29,192	..
Do. 31st December 1900 ..	3,163,919	65,853	30,617	35,236	..
Do. 31st December 1911 ..	2,390,016	54,123	34,028	20,095	..
Do. 31st December 1912 ..	2,528,825	55,571	31,953	23,618	..
Do. 31st December 1913 ..	3,127,997	64,049	32,441	31,608	..
Do. 31st December 1914 ..	3,336,685	65,197	36,014	29,183	..
Do. 31st December 1915 ..	3,361,744	73,410	35,002	38,408	..
Do. 31st December 1916 ..	3,409,241	85,407	37,571	47,836	..
Do. 31t December 1917 ..	2,944,353	67,356	41,360	25,996	..
Do. 31st December 1918 ..	1,933,943	73,386	41,640	31,746	..
Do. 31st December 1919 ..	2,910,991	86,189	46,154	40,035	..
Do. 31st December 1920 ..	3,027,873	1,06,901	70,146	36,755	..
Do. 31st December 1921 ..	3,407,858	1,54,071	70,208	83,863	..
Do. 31st December 1922 ..	3,517,691	1,60,333	76,399	83,934	..
Do. 31st December 1923 ..	2,692,835	1,24,179	76,939	47,240	..
Do. 31st December 1924 ..	2,365,531	1,16,002	72,034	43,968	..
Do. 31st December 1925 ..	2,111,055	1,09,375	69,703	39,672	..
Do. 31st December 1926 ..	1,785,602	1,08,621	68,203	40,418	..
Do. 31st December 1927 ..	1,573,756	1,33,382	74,839	58,543	..
Do. 31st December 1928 ..	1,991,021	1,13,092	71,963	41,129	..
Do. 31st December 1929 ..	1,825,481	1,02,578	69,338	33,240	..
Do. 31st December 1930 ..	1,812,795	1,00,015	69,192	30,823	..
Do. 31st December 1931 ..	1,288,522	82,470	62,917	19,553	..
Do. 31st December 1932 ..	985,491	79,726	60,855	18,871	..
Do. 31st December 1933 ..	1,255,823	77,857	57,161	20,696	..
Do. 31st December 1934 ..	1,185,092	76,414	55,958	20,456	..
Do. 31st December 1935 ..	1,312,477	80,997	60,126	20,871	..
Do. 31st December 1936 ..	1,480,674	87,086	60,676	26,410	..
Do. 31st December 1937 ..	*1,592,567	1,03,975	67,914	36,061	..
Do. 31st December 1938 ..	†1,645,592	1,06,116	79,615	26,501	..
Do. 31st December 1939 ..	‡1,388,253	93,819	75,999	17,820	..
Do. 31st December 1940 ..	§1,519,661	1,12,739	65,480	47,259	..

*Includes 112,659 packages weighed.
† Do. 371,120 Do. Do.
‡ Includes 196,887 packages weighed.
§ Do. 198,589 Do. Do.

Statement showing the Total Measurement and weighment of Bales and Miscellaneous Packages, with Receipts for the years 1923 *to* 1940.

Years.	Nett Bales certified. Measurement				Nett Miscellaneous Articles.				Nett Weighment Packages.				Nett Round Logs.				Extra Fees.			Nett Totals.			
	Number of Bales.	Nett Fees.			Number of Packages.	Nett Fees.			Number of Packages.	Nett Fees.			Number of Lags.	Nett Fees.			Amount.			Packages.	Nett Fees.		
		Rs.	a.	p.		Rs.	a.	p.		Rs.	a.	p.		Rs.	a.	p.	Rs.	a.	p.		Rs.	a.	p.
1923..	2,024,508	63,265	14	0	668,323	57,951	2	3	..	..			4	2	0	0	2,960	7	6	2,692,835	1,24,179	7	9
1924..	1,723,813	53,869	2	6	641,718	58,174	5	9	..	..							3,058	14	0	2,365,531	1,16,002	6	3
1925..	1,579,403	49,356	5	6	531,652	55,700	2	6	..	..							4,318	7	6	2,111,055	1,09,374	15	6
1926..	1,254,587	39,205	13	6	531,015	63,323	9	0	..	..							6,091	7	6	1,785,602	1,08,620	14	0
1927..	995,512	31,141	0	0	577,244	68,542	0	0	..	..							33,699	10	0	1,573,756	1,33,382	10	0
1928..	1,480,555	46,267	5	6	510,388	60,803	15	0	..	..			78	39	0	0	5,981	6	0	1,991,021	1,13,591	10	6
1929..	1,328,917	41,528	10	6	496,505	58,565	3	0	..	..			59	29	8	0	2,455	0	6	1,825,481	1,02,578	6	0
1930..	1,365,626	42,675	13	0	447,169	51,784	15	0	..	..							5,554	7	6	1,812,795	1,00,015	3	6
1931..	882,510	27,578	7	0	406,012	47,149	1	0	..	..							7,743	1	0	1,288,522	82,470	9	0
1932..	487,331	15,229	1	6	498,160	56,297	1	0									8,199	15	0	985,491	79,726	1	6
1933..	834,305	26,072	0	6	421,518	46,986	4	0	..	..							4,799	2	6	1,255,823	77,857	7	0
1934..	738,590	23,080	15	0	446,502	51,297	12	0									2,035	4	0	1,185,092	76,413	15	0
1935..	861,868	26,933	6	0	450,609	51,453	10	0	..	..							2,610	6	6	1,312,477	80,997	6	6
1936..	1,003,105	31,347	0	6	477,562	54,601	2	0					7	3	8	0	1,134	8	6	1,480,674	87,086	3	0
1937..	890,184	27,818	4	0	589,709	66,567	4	0	112,659	6,953	11	0	15	7	8	0	2,628	3	0	1,592,567	1,03,974	14	0
1938..	771,860	24,120	10	0	502,612	57,301	3	0	371,120	22,882	8	0	..	..			1,812	4	6	1,645,592	1,06,116	9	6
1939..	690,835	21,588	9	6	500,526	57,034	10	0	196,887	12,166	6	0	5	2	8	0	3,027	5	0	1,388,253	93,819	6	6
1940..	646,462	20,201	15	0	674,508	74,724	12	0	198,589	12,171	2	6	102	17	4	0	5,624	2	6	1,519,661	1,12,739	4	0

FINANCIAL STATISTICS.

RESERVE BANK OF INDIA

Balance Sheet as at 30th June 1940.

LIABILITIES.	Rs.	ASSETS.	Rs.
NOTES HELD IN THE BANKING DEPARTMENT :—		Gold Coin and Bullion—	
(*a*) Legal Tender in India	10,90,80,025	(*a*) Held in India	41,54,45,528
(*b*) Legal Tender in Burma only ..	17,89,390	(*b*) Held outside India	2,86,97,782
NOTES IN CIRCULATION :—		Sterling Securities	1,31,50,11,290
(*a*) Legal Tender in India	2,35,03,99,160	Rupee Coin	33,31,72,325
(*b*) Legal Tender in Burma only ..	12,70,16,030	Government of India Rupee Securities	49,59,57,680
		Internal Bills of Exchange and other Commercial Paper	*Nil.*
Total Rs. ..	2,58,82,84,605	Total Rs. ..	2,58,82,84,605

		Rs.
BALANCE at the credit of Government of India in the Reserve Bank of India on 31st December	1935 ..	8,84,82,000
,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,,	1936 ..	9,83,12,000
,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,,	1937 ..	9,76,31,226
,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,,	1938 ..	11,18,53,088
,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,,	1939 ..	12,85,56,799
,, ,, ,, ,, ,, ,, ,, ,, ,, 30th June	1940 ..	12,07,61,172

	Official year 1939-40. Rs.	Official year 1938-39. Rs.	Official year 1937-38. Rs.
COINAGE OF SILVER IN INDIA—(Bombay and Calcutta Mints)— Whole Rupees	*Nil.*	*Nil.*	*Nil.*

	Rs.
NET PROFIT ON COINAGE for the year 1939-40	95,33,011

		Rs.
AMOUNT OF GOVERNMENT PROMISSORY NOTES standing on the London Registers at the end of March	1934 ..	8,16,29,300
,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,,	1935 ..	8,48,36,000
,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,,	1936 ..	7,91,99,000
,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,,	1937 ..	7,74,08,000
,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,,	1938 ..	7,63,18,000
,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,,	1939 ..	7,55,28,150
,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,,	1940 ..	5,44,65,550
,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,,	1941 ..	5,38,36,550

IMPORT AND EXPORT TRADE OF BRITISH INDIA.

STATEMENT showing the Annual Value of the Import and Export Trade of British India and the Total Miles of Railway opened.

Calendar Year.	Total Miles of Railway opened.	Year ending 31st March.	Imports.			Exports.		
			Merchandise.	Treasure.	Total Merchandise and Treasure.	Merchandise.	Treasure.	Total Merchandise and Treasure.
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1878 ..	8,217	1878	41,46,41,851	17,35,54,596	58,81,96,447	65,22,23,282	2,21,09,956	67,43,33,238
1879 ..	8,494	1879	37,80,09,835	7,05,67,486	44,85,77,321	60,93,68,769	3,98,22,283	64,91,91,052
1880 ..	9,162	1880	41,17,25,671	11,65,48,948	52,82,74,619	67,21,07,406	2,03,51,479	69,24,58,885
1881 ..	9,890	1881	53,08,68,074	8,99,72,139	62,08,40,213	74,54,09,072	1,44,04,408	75,98,13,480
1882 ..	10,149	1882	49,11,28,724	11,32,27,804	60,43,56,528	81,96,64,102	1,09,97,468	83,06,61,576
1883 ..	10,458	1883	52,09,86,720	13,45,33,642	65,55,20,362	83,48,49,372	1,04,18,488	84,52,67,860
1884 ..	11,631	1884	55,29,89,907	12,87,79,633	68,17,69,540	88,07,64,315	1,00,84,937	89,08,49,252
1885 ..	12,283	1885	55,70,16,804	13,88,81,918	69,58,98,722	83,17,01,507	1,96,89,796	85,13,91,302
1886 ..	12,892	1886	55,65,19,552	15,46,70,808	71,11,90,360	83,86,11,693	1,10,82,310	84,96,94,603
1887 ..	14,103	1887	61,81,19,608	11,04,83,224	72,86,02,832	88,48,10,354	1,72,04,261	90,20,14,615
1888 ..	14,576	1888	65,00,45,881	13,81,25,456	78,81,71,337	90,54,36,458	1,60,46,242	92,14,82,700
1889 ..	15,887	1889	69,43,77,531	13,84,49,249	83,28,26,780	97,06,02,386	1,78,43,819	98,84,46,205
1890 ..	16,401	1890	69,19,93,762	17,45,45,037	86,65,38,799	1,03,44,87,052	1,90,63,218	1,05,35,50,270
1891 ..	17,308	1891	71,97,57,754	21,93,44,876	93,91,02,630	1,00,21,50,575	2,12,31,785	1,02,33,82,360
1892 ..	17,815	1892	69,42,75,659	14,72,26,621	84,15,02,280	1,08,17,79,873	3,28,66,858	1,11,46,46,731
1893 ..	18,504	1893	66,27,86,222	17,00,98,101	83,28,84,323	1,06,57,46,715	6,95,89,237	1,13,53,35,952
1894 ..	18,900	1894	77,02,60,944	18,46,12,564	95,48,73,508	1,06,51,48,540	4,10,01,921	1,10,61,50,461
1895 ..	19,547	1895	73,51,65,042	9,58,12,084	83,09,77,126	1,08,92,91,101	8,22,60,717	1,17,15,51,818
1896 ..	20,254	1896	72,93,61,344	13,36,79,854	86,30,41,198	1,14,34,59,341	4,25,98,105	1,18,60,57,446
1897 ..	21,115	1897	76,21,58,352	13,08,45,635	89,30,03,987	1,03,98,36,184	4,93,74,955	1,08,92,11,139
1898 ..	22,040	1898	73,63,43,159	20,53,06,170	94,16,49,329	97,63,51,802	7,14,86,470	1,04,78,38,272
1899 ..	23,523	1899	72,11,07,161	17,89,56,127	90,00,63,238	1,12,80,11,811	7,41,14,207	1,20,21,26,018
1900 ..	24,752	1900	75,30,44,785	20,97,36,851	96,27,81,636	1,09,11,36,448	7,95,63,876	1,17,07,00,324

1901 ..	25,363	1901	80,89,40,873	24,57,61,818	1,05,47,02,691	1,07,76,44,143	14,22,73,646	1,21,99,17,789
1902 ..	25,931	1902	88,74,24,199	20,87,13,352	1,09,61,37,551	1,24,52,48,571	11,47,08,603	1,35,99,57,174
1903 ..	26,956	1903	85,86,60,829	25,31,83,178	1,11,18,44,007	1,29,40,79,337	9,65,76,370	1,39,06,55,707
1904 ..	27,565	1904	92,59,22,723	38,52,61,072	1,31,11,83,795	1,53,51,71,599	15,04,38,811	1,68,56,10,410
1905 ..	28,295	1905	1,04,41,27,454	39,50,81,750	1,43,92,09,204	1,57,70,83,029	16,42,88,167	1,74,13,71,196
1906 ..	29,097	1906	1,12,07,09,822	31,65,14,438	1,43,72,24,260	1,61,85,53,960	15,47,00,054	1,77,32,54,014
1907 ..	30,010	1907	1,17,24,15,294	44,57,98,114	1,61,82,13,408	1,76,66,94,270	5,71,82,526	1,82,38,76,796
1908 ..	30,576	1908	1,36,53,80,464	42,28,44,977	1,78,82,25,441	1,77,37,29,392	5,44,85,001	1,82,82,14,393
1909 ..	31,490	1909	1,28,77,81,788	22,74,41,677	1,51,52,23,465	1,53,14,31,953	6,32,02,465	1,59,46,34,418
1910 ..	32,099	1910	1,22,64,97,224	37,52,34,734	1,60,17,31,958	1,87,83,04,410	6,39,90,403	1,94,22,94,813
1911 ..	32,839	1911	1,33,70,57,458	39,77,35,730	1,73,47,93,188	2,10,15,16,030	7,12,69,254	2,17,27,85,284
1912 ..	33,484	1912	1,44,05,54,383	53,47,08,480	1,97,52,62,863	2,27,98,82,325	10,37,39,063	2,38,36,21,388
1913 ..	34,656	1913	1,66,62,96,807	61,83,17,536	2,28,46,14,343	2,46,21,83,342	10,63,17,656	2,56,85,00,998
*1913–14..	34,656	1914	1,91,30,79,586	43,43,96,503	2,34,74,76,089	2,49,00,74,896	7,08,28,850	2,56,09,03,746
*1914–15..	35,285	1915	1,44,93,07,207	21,80,83,236	1,66,73,90,443	1,82,17,60,256	5,28,94,370	1,87,46,54,626
*1915–16..	35,833	1916	1,38,16,93,032	11,94,62,390	1,50,11,55,422	1,99,48,03,975	8,22,57,819	2,07,70,61,794
*1916–17..	36,286	1917	1,60,24,89,599	38,45,26,695	1,98,70,16,294	2,47,37,74,815	6,41,72,070	2,53,79,46,885
*1917–18..	36,333	1918	1,64,35,48,949	51,76,43,160	2,16,11,92,109	2,44,90,40,505	7,54,39,185	2,52,44,79,690
*1918–19..	36,616	1919	1,88,56,24,317	71,36,55,075	2,59,92,79,392	2,55,32,02,610	9,01,03,571	2,64,33,06,181
*1919–20..	36,735	1920	2,21,70,24,425	78,23,88,554	2,99,94,12,979	3,32,75,78,755	13,67,97,719	3,46,43,76,474
*1920–21..	37,029	1921	3,47,13,52,122	34,76,34,962	3,81,89,87,084	2,67,64,36,175	26,17,12,640	2,93,81,48,815
*1921–22..	37,266	1922	2,82,59,75,453	31,29,90,526	3,13,89,65,979	2,48,65,76,106	19,06,73,144	2,67,72,49,250
*1922–23..	37,618	1923	2,46,19,24,109	63,57,96,096	3,09,77,20,205	3,16,07,16,915	3,01,71,845	3,19,08,88,760
*1923–24..	38,039	1924	2,37,18,32,279	53,20,40,566	2,90,38,72,845	3,63,37,63,664	3,67,32,510	3,67,04,96,174
*1924–25..	38,270	1925	2,53,36,36,608	99,19,84,987	3,52,56,21,595	4,00,24,27,531	5,16,81,392	4,05,41,08,923
*1925–26..	38,610	1926	2,36,00,12,595	55,48,77,580	2,91,48,90,175	3,86,81,21,842	3,83,91,668	3,90,65,13,510
*1926–27..	39,048	1927	2,40,81,84,303	41,53,20,573	2,82,35,04,876	3,11,05,04,300	2,21,13,404	3,13,26,17,704
*1927–28..	39,048	1928	2,61,53,40,569	34,89,52,529	2,96,42,94,098	3,30,26,37,283	3,13,60,896	3,33,39,98,179
*1928–29..	40,330	1929	2,63,39,79,360	37,29,42,646	3,00,69,22,006	3,39,15,06,656	6,35,31,454	3,45,50,38,110
*1929–30..	41,723	1930	2,49,70,74,490	27,83,19,584	2,77,53,94,074	3,18,98,97,089	5,14,33,004	3,24,13,30,093
*1930–31..	42,281	1931	1,73,06,25,932	26,86,34,373	1,99,92,60,305	2,26,50,21,864	4,00,08,598	2,30,50,30,462
*1931–32..	42,813	1932	1,30,64,28,506	7,26,80,825	1,37,91,09,331	1,61,20,22,325	65,92,85,265	2,27,13,07,590
*1932–33..	42,973	1933	1,35,01,76,054	2,99,13,188	1,38,00,89,242	1,35,93,84,109	70,66,15,528	2,06,59,49,637
*1933–34..	42,973	1934	1,17,30,45,422	1,96,15,215	1,19,26,60,637	1,51,17,15,209	65,56,63,908	2,16,73,79,117
*1934–35..	43,021	1935	1,34,58,25,058	5,19,17,165	1,39,77,42,223	1,55,49,71,644	63,50,46,139	2,19,00,17,783
*1935–36..	43,118	1936	1,36,76,36,945	7,44,88,569	1,44,21,25,514	1,64,59,67,984	45,66,88,147	2,10,26,56,131
*1936–37..	43,128	1937	1,27,72,13,251	15,50,89,994	1,43,23,03,245	2,02,48,95,019	30,20,40,314	2,32,69,35,333
†*1937–38.	41,076	1938	1,77,22,27,989	4,71,24,768	1,81,93,52,757	1,89,76,39,162	19,76,70,257	2,09,53,09,419
†*1938–39.	41,134	1939	1,55,52,31,515	3,24,24,564	1,58,76,56,079	1,69,81,09,774	15,21,37,899	1,85,02,47,673
†*1939–40.	41,156	1940	‡1,65,27,20,461	....	....	‡2,13,64,04,229	....	....

* Official year ending 31st March.

† Exclusive of Burma due to separation.

‡ Imports and Exports of Government Stores and Treasure not available.

Exports of Cotton, Wool, Linseed, Rape Seed, Gingelly Seed, Wheat and Myrabollams from Bombay by Sea to Europe (including Port Said for orders) during the Calendar Years 1892 *to* 1940.

Years.	Cotton.	Wool and Goat Hair.	Linseed.	Rape Seed.	Gingelly Seed.	Wheat.	Myrabollams.
	Bales.	Bales.	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.
1892	954,243	53,275	3,805,823	1,758,459	1,227,560	9,374,762	620,133
1893	857,771	49,538	4,319,264	4,275,862	1,510,317	5,043,690	563,053
1894	797,070	54,678	5,389,941	3,306,108	1,126,418	1,561,048	1,076,482
1895	624,465	61,586	2,639,749	1,829,827	1,379,335	2,522,933	775,582
1896	772,258	58,520	3,214,613	1,495,463	1,186,842	1,429,572	839,314
1897	511,899	51,710	775,838	1,874,663	831,398	5,343	555,081
1898	490,544	51,653	2,729,122	2,287,393	1,847,419	5,781,881	635,732
1899	500,232	53,272	2,136,142	1,967,680	1,613,679	2,852,863	752,343
1900	232,425	40,611	811,128	1,050,052	1,613,135	608	878,740
1901	560,434	33,091	1,754,701	2,586,544	1,704,817	38,619	728,055
1902	577,929	39,793	2,017,704	2,742,283	1,881,426	211,397	1,079,241
1903	958,199	49,332	2,957,635	2,614,181	3,063,821	2,783,625	748,137
1904	926,295	58,319	3,808,789	2,182,881	2,266,118	5,302,304	958,886
1905	667,323	63,666	3,485,956	728,041	1,420,503	4,205,315	621,298
1906	989,693	59,101	1,889,089	829,438	1,578,931	485,747	779,584
1907	1,126,376	54,390	2,333,472	2,026,544	2,235,206	552,660	848,293
1908	659,822	47,344	1,046,806	802,923	1,018,619	12,740	1,304,388
1909	672,247	69,121	1,843,403	1,273,005	1,620,631	2,177,644	76,757
1910	1,153,233	68,059	2,546,238	2,137,828	2,864,185	1,673,016	917,208
1911	776,417	62,721	4,905,089	1,383,053	2,016,231	3,326,327	662,892
1912	436,208	64,072	3,579,356	1,069,916	1,012,554	3,805,556	652,080
1913	736,262	63,244	3,713,812	1,042,510	1,695,000	4,997,989	549,483
1914	1,113,016	54,555	2,622,097	678,060	1,280,036	109,323	755,687

Exports of Cotton, Wool, Linseed, Rape Seed, Gingelly Seed, Wheat and Myrabollams from Bombay by Sea to Europe (including Port Said for orders) during the Calendar Years 1892 to 1940—continued.

Years.	Cotton.	Wool and Goat Hair.	Linseed.	Rape Seed.	Gingelly Seed.	Wheat.	Myrabollams.
	Bales.	Bales.	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.
1915	403,322	82,456	1,603,837	543,494	150,068	1,593,092	601,144
1916	293,876	77,109	5,410,560	451,732	1,130,405	545,656	422,965
1917	358,378	84,151	2,630,619	321,811	639,091	4,636,634	408,692
1918	190,529	109,850	2,474,109	73,181	3,552	1,487,714	300,061
1919	337,043	63,938	2,689,540	396,514	331,022	126,416	538,022
1920	649,736	42,920	1,511,233	729,716	678,059	....	346,812
1921	503,215	36,931	524,442	165,908	264,842	....	419,329
1922	628,674	75,326	2,307,369	464,045	610,412	1,000	525,031
1923	980,710	51,734	3,043,144	786,356	156,675	419,046	389,198
Exports of Cotton Wool, Linseed, Rape Seed, Gingelly Seed, Wheat and Myrabollams from Bombay, by Sea to all Foreign Countries during the Years 1924 to 1940.							
1924	2,520,053	75,992	2,990,141	881,200	468,157	547,085	888,994
1925	2,820,629	66,329	3,524,849	531,136	812,900	1,187,532	605,257
1926	2,257,802	46,347	1,585,096	77,894	72,752	138,592	719,078
1927	2,052,225	57,996	1,641,559	52,861	80,010	32,880	883,259
1928	2,563,221	71,769	1,828,077	189,435	471,740	68,162	641,162
1929	2,678,328	83,264	1,576,531	39,838	415,725	47,553	729,169
1930 .. .. †	2,755,604	41,532	2,110,422	13,354	19,708	32,857	732,974
1931	2,194,682	49,201	926,552	18,155	83,802	71,035	644,706
1932	924,302	33,474	491,481	39,023	248,126	26,236	592,374
1933	1,545,511	57,388	3,298,611	49,677	305,965	25,937	709,041
1934	1,713,319	41,329	3,229,879	69,178*	143,941	24,865	617,732
1935	1,633,888	48,036	1,222,517	43,854*	11,230	30,088	702,840
1936	2,153,096	34,789	3,329,916	52,145*	85,023	46,884	655,634
1937	1,779,985	38,033	2,086,453	53,742*	250,228	50,131	623,774
1938	1,535,838	33,350	3,334,933	46,674*	83,175	40,738	540,023
1939	1,619,859	51,477	2,593,561	42,988*	45,114	45,962	770,253
1940	1,368,584	17,626	2,063,025	96,737	31,389	*A.*	553,826

* Inclusive of Mustard Seed. † Includes Cotton exported to Calcutta and Coast Ports.
A Exports of wheat not available.

STATEMENT showing the Exports from Bombay by Sea of Indian Manufactured Cotton Piecegoods and Yarns since 1908.

Year ending 31st Dec.	Grey and White Piecegoods.			Coloured Piecegoods.		Total Piecegoods.			Yarns.	
	Packages.	Yards.	Lbs.	Packages.	Yards.	Packages.	Yards.	Lbs.*	Bales.	Lbs.
1908	120,300	215,698,687	60,862,003	30,997	50,792,342	151,297	266,491,029	66,622,757	598,621	234,484,640
1909	141,920	252,992,500	70,093,139	39,326	66,751,717	181,246	319,744,217	79,936,054	636,329	252,460,745
1910	136,972	250,489,940	68,312,314	45,333	75,673,845	182,305	326,163,785	81,540,946	565,999	223,758,970
1911	122,601	224,438,698	63,524,949	54,000	89,411,376	176,601	313,850,074	78,462,518	403,214	158,582,640
1912	126,681	231,976,527	66,009,051	64,169	107,289,928	190,850	339,266,455	84,816,614	579,281	228,759,617
1913	97,005	177,239,570	50,527,978	55,071	92,467,657	152,076	269,707,227	67,426,807	518,230	205,207,962
1914	91,837	169,515,937	49,361,518	42,084	72,602,270	133,921	242,118,207	60,529,552	437,159	173,172,953
1915	108,956	199,968,079	58,350,926	61,045	103,038,333	170,001	303,006,412	75,751,603	471,395	186,585,698
1916	175,923	248,326,445	70,956,464	82,818	139,616,532	258,741	387,942,977	96,985,744	410,972	162,627,300
1917	111,845	176,934,869	46,119,953	86,909	148,290,803	198,754	325,225,672	81,306,418	373,187	147,167,250
1918	94,071	153,463,774	40,025,958	71,424	126,063,308	165,495	279,527,082	69,881,770	193,275	75,599,059
1919	132,112	219,343,388	56,536,165	116,313	202,286,577	248,425	421,629,965	105,407,491	372,212	146,832,081
1920	149,552	241,230,910	61,482,863	157,042	120,332,112	306,594	361,563,022	90,390,755	288,778	113,351,962
1921	120,739	212,563,435	53,577,720	99,518	159,572,347	220,257	372,135,782	93,033,945	314,330	124,810,163
1922	138,769	254,292,354	65,928,239	100,581	176,411,422	239,350	430,703,776	107,675,944	267,711	105,122,885
1923	173,381	304,497,408	69,452,982	110,243	180,990,710	283,624	485,488,118	121,372,029	215,036	83,657,151
1924	177,950	320,087,971	75,657,413	103,999	169,055,231	281,949	489,143,202	122,285,800	175,175	67,861,329
1925	133,458	233,217,232	55,688,235	96,447	158,069,128	229,905	391,286,360	97,821,590	176,210	67,892,155
1926	119,331	210,752,239	50,243,116	112,795	180,075,412	232,126	390,827,651	97,706,912	175,869	67,786,883
1927	130,963	229,773,883	55,215,566	118,474	196,438,974	249,437	426,212,857	106,553,214	156,999	60,555,498
1928	100,699	177,282,508	34,777,044	97,936	157,677,505	198,635	334,960,013	83,740,003	102,954	40,816,700
1929	106,748	193,179,168	38,635,833	82,351	147,586,666	189,099	340,765,834	85,191,458	125,577	54,361,428
1930	136,281	241,220,836	48,964,399	75,555	122,465,715	211,836	363,686,551	90,921,637	126,006	50,490,540
1931	192,578	342,654,885	68,686,328	80,346	127,129,785	272,924	469,784,670	117,446,167	142,236	65,666,253
1932	294,483	794,303,908	106,795,020	72,177	108,236,606	366,660	902,540,514	225,635,128	122,156	46,294,310
1933	209,259	390,535,659	78,065,873	58,052	87,899,698	267,311	478,435,357	119,608,839	112,059	43,557,629
1934	229,024	414,324,303	86,762,142	65,728	94,046,841	294,752	508,371,144	127,092,786	94,853	37,126,195
1935	216,300	383,877,416	76,775,483	55,416	81,771,947	271,716	465,649,363	116,412,340	88,088	34,626,637
1936	243,834	442,916,172	88,583,234	58,167	84,883,124	302,001	527,799,296	131,949,824	80,995	31,337,340
1937	263,665	406,706,851	81,341,332	98,229	105,542,821	361,894	512,249,672	128,062,418	99,726	33,158,260
1938	222,819	497,943,219	99,588,644	68,733	90,598,779	291,552	588,541,998	147,135,499	133,719	53,845,533
1939	214,894	402,959,694	80,591,939	74,921	89,945,061	289,815	492,904,755	123,226,189	101,524	39,757,666
1940	201,513	302,405,778	60,481,156	115,362	160,859,627	316,875	463,265,405	115,816,351	94,721	35,675,019

* The weights have been arrived at by dividing the length in yards by 4.00, the average weight of the Grey and Bleached Cloth.

LIBRARY
OF THE
BOMBAY
BRANCH
OF THE
ASIATIC SOCIETY.

Current Quotations as estimated by the Committee of the Bombay Chamber of Commerce during the year 1940—continued.

QUOTATIONS.	Week ending 5th July 1940.	Week ending 12th July 1940.	Week ending 19th July 1940.	Week ending 26th July 1940.	Week ending 2nd Aug. 1940.	Week ending 9th Aug. 1940.	Week ending 16th Aug. 1940.	Week ending 23rd Aug. 1940.	Week ending 30th Aug. 1940.	Week ending 6th Sept. 1940.	Week ending 13th Sept. 1940.	Week ending 20th Sept. 1940.	Week ending 27th Sept. 1940.	Week ending 4th Oct. 1940.	Week ending 11th Oct. 1940.	Week ending 18th Oct. 1940.	Week ending 25th Oct. 1940.	Week ending 1st Nov. 1940.	Week ending 8th Nov. 1940.	Week ending 15th Nov. 1940.	Week ending 22nd Nov. 1940.	Week ending 29th Nov. 1940.	Week ending 6th Dec. 1940.	Week end 13th De 1940
EXCHANGE.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.
On England Bank Bills — Telegraphic Transfer	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32
Sight	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32
3 Months' "	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
4 " "	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
6 " "	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
First Class Credits — 3 Months' Sight	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/3 d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32
4 " "	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32
6 " "	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
French Francs, D/A. — Sight	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.	Not availab
" " " " 3 Months' "																								
On Calcutta Bank Telegraphic Transfer	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16
Mercantile Bills 60 days' Sight (Japan per 100 Yen)	Rs. a. p. 79 8 0	Rs. a. p. 83 6 0	Rs. a. p. 80 6 0	Rs. a. p. 78 14 0	Rs. a. p. 78 8 0	Rs. a. p. 77 12 0	Rs. a. p. 75 12 0	Rs. a. p. 75 12 0	Rs. a. p. 75 12 0	Rs. a. p. 76 4 0	Rs. a. p. 76 4 0	Rs. a. p. 76 4 0	Rs. a. p. 76 4 0	Rs. a. p. 76 4 0	Rs. a. p. 76 4 0	Rs. a. p. 76 4 0	Rs. a. p. 76 4 0	Rs. a. p. 76 4 0	Rs. a. p. 76 4 0	Rs. a. p. 76 4 0	Rs. a. p. 76 4 0	Rs. a. p. 76 4 0	Rs. a. p. 76 4 0	Rs. a. p. 76 4 0
English Bar Gold (100 Touch per tola)	41 14 0	41 13 3	41 12 3	41 11 9	41 11 0	41 11 6	41 11 9	41 11 9	42 1 0	42 1 0	41 14 0	41 14 0	41 15 0	41 14 9	41 12 6	41 13 0	41 12 0	41 11 9	41 12 0	41 12 0	41 11 6	41 12 0	41 12 0	41 13 4
Sovereigns	28 8 0	28 5 0	28 4 6	28 5 0	28 3 6	28 3 6	28 4 0	28 4 0	28 8 0	28 9 0	28 7 0	28 5 6	28 5 0	28 6 0	28 4 3	28 3 6	28 3 0	28 1 0	28 3 0	28 3 6	28 3 6	28 2 6	28 4 6	28 4 6
Bar Silver — Ready	62 10 0	61 13 0	62 2 0	63 2 0	62 13 0	63 1 0	63 4 6	63 5 0	63 8 0	63 8 0	62 14 0	62 14 0	62 11 0	62 12 0	62 11 0	62 7 6	61 7 0	61 4 0	61 2 0	61 8 6	61 9 0	61 8 0	61 11 6	61 5 0	60 11 0
Forward	62 6 0	61 9 0	62 0 0	63 0 0	62 13 0	63 0 0	63 4 0	63 3 6	63 7 0	63 7 0	62 13 0	62 13 0	62 11 0	62 12 6	62 12 0	62 8 6	61 8 6	61 5 0	61 3 0	61 9 0	61 8 0	61 8 0	61 11 0	61 4 6	60 9 6
RATES OF DISCOUNT.																								
Bank Rate of Discount on Private Bills, 60 days' Sight	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cen
Bank Rate of Interest on Demand Loans, on Government Securities	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "
Rate of Interest in the Open Market on Government Paper	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "
Money Market	Quiet.	Quiet.	Very easy.	Very easy.	Quiet.	Very easy.	Easy.	Easy.	Very easy.	Very easy.	Very easy.	Very easy.	Easy.	Very easy.	Very easy.	Easy.	Very easy.	Easy.	Easy.	Easy.	Quiet.	Easy.	Very easy.	Very ea
GOVERNMENT SECURITIES.																								
Three and a half per cent.	Rs. a. p. 86 0 0	Rs. a. p. 87 13 0	Rs. a. p. 88 8 0	Rs. a. p. 89 12 0	Rs. a. p. 90 7 0	Rs. a. p. 90 5 0	Rs. a. p. 89 8 0	Rs. a. p. 90 12 0	Rs. a. p. 90 1 0	Rs. a. p. 90 5 0	Rs. a. p. 90 0 0	Rs. a. p. 90 3 0	Rs. a. p. 91 0 0	Rs. a. p. 91 4 0	Rs. a. p. 91 3 0	Rs. a. p. 91 2 0	Rs. a. p. 91 9 0	Rs. a. p. 91 12 0	Rs. a. p. 92 2 0	Rs. a. p. 92 6 0	Rs. a. p. 92 7 0	Rs. a. p. 93 3 0	Rs. a. p. 94 1 0	Rs. a. 94 0
Three per cent.	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
Four per cent., 1960/70	99 10 0	101 6 0	102 4 0	103 2 0	104 4 0	104 12 0	104 6 0	105 4 0	105 3 0	105 4 0	105 6 0	105 7 0	105 14 0	106 0	106 1 0	106 2 0	106 2 0	106 5 0	106 9 0	107 1 0	107 2 0	107 2 0	107 9 0	107 8
Five per cent., Tax Free, 1945/55	107 2 0	108 6 0	108 8 0	109 0 0	109 2 0	110 5 0	110 6 0	111 4 0	111 6 0	111 8 0	112 0 0	112 2 0	112 4 0	112 6 0	112 6 0	112 4 0	112 2 0	112 2 0	112 3 0	112 6 0	112 9 0	112 10 0	112 13 0	112 9
Memo of Government Paper enfaced for London	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*
Government Paper enfaced from London for Bombay	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	6,200 0 0	12,[illegible] 0 0	[illegible]00 0 0	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	4,25,000 0 0	*Nil.*	*Nil.*	*Nil.*
IMPORTS.																								
Piecegoods Market	Dull, no enquiry.	Dull, no enquiry.	Dull, enquiries slack.	Dull, prices steady.	Steady, small demand.	Dull small enquires	Continues dull, small enquiry.	Dull, small enquiry.	Steady.	Steady.	Brighter, better demand.	Brisk inquiries, fairly good.	Firm, brisk demand.	Firm, brisk, good demand.	Firm with upward tendency.	Steady, moderate demand.	Firm, good demand.	Firm, demand moderate.	Closed during the week.	Steady with moderate demand.	Firm with moderate enquiry	Steady, enquiry moderate.	Steady, moderate demand.	Steady, with fa demand
Japanese Grey Shirtings, Peach, 36"×40 yards (per piece)	Rs. a. p. 10 0 0	Rs. a. p. 10 10 0	Rs. a. p. 10 8 0	Rs. a. p. No stock.	Rs. a. p. No stock.	Rs. a. p. No stock	Rs. a. p. No stock.	Rs. a. p. No stock.	Rs. a. p. No stock.	Rs. a. p. No stock.	Rs. a. p. No stock.	Rs. a. p. No stock.	Rs. a. p. No stock.	Rs. a. p. No stock.	Rs. a. p. No stock.	Rs. a. p. No stock.	Rs. a. p. No stock.	Rs. a. p. No stock	Rs. a. p. No stock.	Rs. a. p. No stock.	Rs. a. p. No stock.	Rs. a. p. No stock.	Rs. a. p. No stock.	Rs. a. p. No stock
Japanese White Shirtings, 30⅌, 34"×42 yards (")	10 12 0	11 0 0	11 7 0	11 6 0	11 6 0	11 8 0	11 11 0	11 8 0	11 9 0	11 13 0	12 1 0	12 7 0	12 13 0	13 4 0	13 3 0	13 4 0	14 0 0	13 8 0	12 12 0	12 10 0	12 10 0	12 12 0	12 12 0	12 10 0
Japanese Grey Yarn, Five Stars, 2/42s. (per lb.)	0 12 0	0 12 3	0 12 0	0 12 0	0 12 3	0 12 6	0 12 0	0 12 0	0 12 0	0 12 3	0 12 3	0 12 9	0 12 6	0 12 6	0 13 6	0 13 3	0 14 0	0 13 9	0 13 3	0 13 9	No stock.	No stock.	0 14 0	0 13 9
Copper Braziers in bundles (per cwt.)	65 0 0	70 0 0	68 0 0	68 0 0	66 0 0	68 0 0	65 0 0	66 8 0	66 0 0	66 0 0	65 8 0	66 0 0	70 0 0	71 0 0	73 8 0	73 0 0	77 0 0	74 0 0	74 0 0	72 8 0	73 8 0	74 0 0	73 0 0	74 0 0
Yellow Metal in bundles (")	56 0 0	56 0 0	56 0 0	56 0 0	56 0 0	57 0 0	57 0 0	56 8 0	57 0 0	57 0 0	56 0 0	56 0 0	57 0 0	57 0 0	57 0 0	58 0 0	59 0 0	59 0 0	59 0 0	62 0 0	63 0 0	62 0 0	63 0 0	63 0 0
Continental Basic Steel Bars (")	9 8 0	9 12 0	9 8 0	9 6 0	9 8 0	9 3 0	9 10 0	10 0 0	10 0 0	9 12 0	10 0 0	9 14 0	9 12 0	9 14 0	10 0 0	10 0 0	10 8 0	10 12 0	11 4 0	11 8 0	12 4 0	13 0 0	12 10 0	13 0 0
" **Nail Rods** (")	11 4 0	10 12 0	11 4 0	11 4 0	11 4 0	11 4 0	11 10 0	11 12 0	11 4 0	11 8 0	11 8 0	11 8 0	11 10 0	11 8 0	12 0 0	12 0 0	12 2 0	12 0 0	12 0 0	12 8 0	13 0 0	13 12 0	13 8 0	13 8 0
Galvanized Corrugated Sheets (")	14 0 0	14 0 0	14 0 0	14 0 0	14 0 0	14 0 0	14 0 0	14 0 0	14 0 0	14 0 0	14 0 0	14 0 0	14 4 0	14 4 0	14 4 0	14 4 0	14 6 0	14 8 0	14 12 0	15 8 0	16 0 0	16 0 0	15 10 0	15 8 0
Sugar — Ordinary Crystals Beet. (per cwt. ex-godown)	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
Java White Granulated T. M. O. (")	18 12 0	18 12 0	18 12 0	8–8–0 Ex-Bond.	8–8–0 Ex-Bond.	8–10–0 Ex-Bond.	8–10–0 Ex-Bond.	8–10–0 Ex-Bond.	8–10–0 Ex-Bond.	8–10–0 Ex-Bond.	8–14–0 Ex-Bond.	8–14–0 Ex-Bond.	8–14–0 Ex-Bond.	9–4–0 Ex-Bond.	9–2–0 Ex-Bond.	9–2–0 Ex-Bond.	9–2–0 Ex-Bond.	9–6–0 Ex-Bond.	9–8–0 Ex-Bond.	9-10-0 Ex-Bond.	9–6–0 Ex-Bond.	9–0–0 Ex-Bond.	9–0–0 Ex-Bond.	9–4–0 Ex-I
Quality (")	17 6 to 18 4	17 8 to 18 6	17 6 to 18 4	15 0 0 to 16 4 0	14 14 to 16 0	14 12 0 to 16 0 0	15 0 0 to 16 6 0	15 0 0 to 16 6 0	14 8 to 15 8	15 8 to 17 0 6	14 12 0 to 16 0 0	14 8 0 to 15 8 0	14 6 0 to 15 8 0	14 6 0 to 15 8 0	14 6 0 to 15 6 0	14 6 0 to 15 8 0	14 4 0 to 15 4 0	14 3 0 to 15 3 0	13 14 to 14 8	13 14 to 14 8	13 8 to 14 4	13 8 to 14 4	13 6 to 14 6	13 6 to 14
Indian (")																								
COAL.																								
Indian Coal, F.O.R.—	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Bengal Coal—																								
Deshargarh (Selected Grade) F.O.R. (per ton)	4 4 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0
Jheria (") "	4 4 0	4 8 0	4 8 0	4 6 0	4 6 0	4 6 0	4 6 0	4 6 0	4 6 0	4 6 0	4 6 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0
Jheria (Grade I) F.O.R. (")	3 10 0	3 8 0	3 8 0	3 6 0	3 6 0	3 6 0	3 6 0	3 6 0	3 6 0	3 6 0	3 6 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0
Central Provinces (1st class) F.O.R. (")	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0
EXPORTS.																								
Cotton Exports—																								
(Fully pressed, per candy of 784 lbs.)																								
Cotton Market	Undecided.	Fairly steady.	Steady.	Firm.	Dull and rather weak.	Steady.	Steady.	Steady but dull.	Steady, firm.	Rather weak.	Steady, firm.	Quietly steady.	Fairly steady.	Quietly steady.	Uncertain.	Quiet, uncertain.	Uncertain, rather weak.	No trading to-day.	Steady.	Fairly steady.	Steady.	Fairly steady.	Weaker, unofficially closed.	Weak.
M. G. Bengals (Railway terms) F.G.	Rs. a. p. 117 0 0 Spot.	Rs. a. p. 132 0 0 Spot.	Rs. a. p. 135 0 0 Spot.	Rs. a. p. 147 0 0 Spot.	Rs. a. p. 143 0 0 Spot.	Rs. a. p. 140 0 0 Spot.	Rs. a. p. 139 0 0 Spot.	Rs. a. p. 138 0 0 Spot.	Rs. a. p. 139 0 0 Spot.	Rs. a. p. 141 0 0 Spot.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p. 144 0 0 Spot.	Rs. a. p. 139 0 0S
" " (") F.G.	114 0 0 July 1940.	129 0 0 July 1940.	132 0 0 July 1940.	....	....	....	....	....	....	....	....	....	....	140 0 0 Dec.–Jan. 1941.	138 0 0 Dec.–Jan. 1941.	138 0 0 Dec.–Jan. 1941.	138 0 0 Dec.–Jan. 1941.	139 0 0 Dec.–Jan. 1941.	140 0 0 Dec.–Jan. 1941.	143 0 0 Dec.–Jan. 1941.	144 0 0 Dec.–Jan. 1941.	142 0 0 Dec.–Jan. 1941.	137 0 0 Dec.–Jan. 1941.	Jan. 1
" " (") F.G.	130 0 0 Dec.–Jan. 1941.	140 0 0 Dec.–Jan. 1941.	138 0 0 Dec.–Jan. 1941.	144 0 0 Dec.–Jan. 1941.	140 0 0 Dec.–Jan. 1941.	137 0 0 Dec.–Jan. 1941.	136 0 0 Dec.–Jan. 1941.	135 0 0 Dec.–Jan. 1941.	136 0 0 Dec.–Jan. 1941.	138 0 0 Dec.–Jan. 1941.	141 0 0 Dec.–Jan. 1941.	141 0 0 Dec.–Jan. 1941.	140 0 0 Dec.–Jan. 1941.	142 0 0 Dec.–Jan. 1941.	141 0 0 Dec.–March 1941.	139 0 0 March 1941.	140 0 0 March 1941.	141 0 0 March 1941.	142 0 0 March 1941.	145 0 0 March 1940.	147 0 0 March 1941.	147 0 0 March 1941.	145 0 0 March 1941.	159 0 0 March 1
" Oomras (Fair Staple) Fine	139 0 0 Spot.	160 0 0 Spot.	166 0 0 Spot.	177 0 0 Spot.	174 0 0 Spot.	171 0 0 Spot.	169 0 0 Spot.	170 0 0 Spot.	169 0 0 Spot.	175 0 0 Spot.	....	....	....	....	....	....	....	....	....	....	....	....	182 0 0 Spot.	178 0 0 Spot.	166 0 0 S
" " (") Fine.	138 0 0 July 1940.	159 0 0 July 1940.	165 0 0 July 1940.	....	....	....	....	....	....	....	....	....	....	173 0 0 Dec.–Jan. 1941.	170 0 0 Dec.–Jan. 1941.	169 0 0 Dec.–Jan. 1941.	....	....	....	....	....	....	175 0 0 Dec.–Jan. 1941.	175 0 0 Dec.–Jan. 1941.	164 0 0 Jan. 1
" " (") Fine.	157 0 0 Dec.–Jan. 1941.	169 0 0 Dec.–Jan. 1941.	171 0 0 Dec.–Jan. 1941.	177 0 0 Dec.–Jan. 1941.	174 0 0 Dec.–Jan. 1941.	171 0 0 Dec.–Jan. 1941.	169 0 0 Dec.–Jan. 1941.	169 0 0 Dec.–Jan. 1941.	166 0 0 Dec.–Jan. 1941.	171 0 0 Dec.–Jan. 1941.	176 0 0 Dec.–Jan. 1941.	175 0 0 Dec.–Jan. 1941.	179 0 0 Dec.–Jan. 1941.	175 0 0 March 1941.	172 0 0 March 1941.	170 0 0 March 1941.	168 0 0 Dec.–Jan. 1941.	169 0 0 Dec.–Jan. 1941.	172 0 0 Dec.–Jan. 1941.	175 0 0 Dec.–Jan. 1941.	176 0 0 Dec.–Jan. 1941.	....	....	....
" " (") Fine.	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	170 0 0 March 1941.	171 0 0 March 1941.	174 0 0 March 1941.	177 0 0 March 1941.	179 0 0 March 1941.	181 0 0 March 1941.	178 0 0 March 1941.	167 0 0 March 1
" Broach F.G.	156 0 0 Spot.	170 0 0 Spot.	174 0 0 Spot.	184 0 0 Spot.	179 0 0 Spot.	178 0 0 Spot.	176 0 0 Spot.	181 0 0 Spot.	176 0 0 Spot.	182 0 0 Spot.	....	....	....	....	....	....	....	....	....	....	....	....	....	....
" " F.G.	155 0 0 July–Aug. 1940.	169 0 0 July–Aug. 1940.	173 0 0 July–Aug. 1940.	183 0 0 July–Aug. 1940.	178 0 0 July–Aug. 1940.	177 0 0 July–Aug. 1940.	175 0 0 July–Aug. 1940.	180 0 0 July–Aug. 1940.	175 0 0 July–Aug. 1940.	180 0 0 July–Aug. 1940.	....	....	....	....	....	....	....	....	....	....	....	....	....	....
" " F.G.	181 0 0 April–May 1941.	192 0 0 April–May 1941.	194 0 0 April–May 1941.	199 0 0 April–May 1941.	196 0 0 April–May 1941.	194 0 0 April–May 1941.	192 0 0 April–May 1941.	190 0 0 April–May 1941.	186 0 0 April–May 1941.	192 0 0 April–May 1941.	198 0 0 April–May 1941.	197 0 0 April–May 1941.	203 0 0 April–May 1941.	197 0 0 April–May 1941.	194 0 0 April–May 1941.	192 0 0 April–May 1941.	192 0 0 April–May 1941.	194 0 0 April–May 1941.	197 0 0 April–May 1941.	202 0 0 April–May 1941.	206 0 0 April–May 1941.	208 0 0 April–May 1941.	205 0 0 April–May 1941.	195 0 0 May 1
" " F.G.	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
SEEDS AND WHEAT.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.
Cotton Seed (per cwt.)	Rs. a. p. 3 10 0	Rs. a. p. 3 11 0	Rs. a. p. 3 12 0	Rs. a. p. 3 12 0	Rs. a. p. 3 11 0	Rs. a. p. 3 12 0	Rs. a. p. 3 9 0	Rs. a. p. 3 9 0	Rs. a. p. 3 9 0	Rs. a. p. 3 10 0	Rs. a. p. 3 12 0	Rs. a. p. 3 10 0	Rs. a. p. 3 10 0	Rs. a. p. 3 1 0	Rs. a. p. 3 1 0	Rs. a. p. 3 3 0	Rs. a. p. 3 2 0	Rs. a. p. 3 6 0	Rs. a. p. 3 2 0	Rs. a. p. 3 2 0	Rs. a. p. 3 2 0	Rs. a. p. 3 2 0	Rs. a. p. 3 2 0	Rs. a. p. 2 14 0
Gingelly Seed White Bold 85 per cent. (")	9 8 0	9 10 0	9 12 0	10 0 0	9 14 0	10 0 0	9 14 0	9 14 0	9 14 0	9 14 0	10 0 0	9 14 0	9 0 0	8 8 0	8 0 0	7 14 0	7 12 0	7 12 0	7 12 0	7 9 0	7 8 0	7 10 0	7 10 0	7 10 0

Current Quotations as estimated by the Committee of the Bombay Chamber of Commerce during the year 1940—continued.

ACTIONS.	Week ending 5th July 1940.	Week ending 12th July 1940.	Week ending 19th July 1940.	Week ending 26th July 1940.	Week ending 2nd Aug. 1940.	Week ending 9th Aug. 1940.	Week ending 16th Aug. 1940.	Week ending 23rd Aug. 1940.	Week ending 30th Aug. 1940.	Week ending 6th Sept. 1940.	Week ending 13th Sept. 1940.	Week ending 20th Sept. 1940.	Week ending 27th Sept. 1940.	Week ending 4th Oct. 1940.	Week ending 11th Oct. 1940.	Week ending 18th Oct. 1940.	Week ending 25th Oct. 1940.	Week ending 1st Nov. 1940.	Week ending 8th Nov. 1940.	Week ending 15th Nov. 1940.	Week ending 22nd Nov. 1940.	Week ending 29th Nov. 1940.	Week ending 6th Dec. 1940.	Week ending 13th Dec. 1940.	Week ending 20th Dec. 1940.	Week ending 27th Dec. 1940.
CHANGE.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.
Telegraphic Transfer	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.
Sight	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.
2 Months' ,,	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
4 ,, ,,	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
6 ,, ,,	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
3 Months' Sight	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.
4 ,, ,,	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.
6 ,, ,,	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
Sight	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.
3 Months' ,,																										
ansfer	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
pan per 100 Yen)	79 8 0	83 6 0	80 6 0	78 14 0	78 8 0	77 12 0	75 12 0	75 12 0	75 12 0	76 4 0	76 4 0	76 4 0	76 4 0	76 4 0	76 4 0	76 4 0	76 4 0	76 4 0	76 4 0	76 4 0	76 4 0	76 4 0	76 4 0	76 4 0	76 4 0	76 4 0	76 4 0
ola)	41 14 0	41 13 3	41 12 3	41 11 9	41 11 6	41 11 6	41 11 9	41 11 9	41 11 6	42 5 3	42 1 0	41 14 9	41 15 0	41 14 9	41 12 6	41 13 0	41 12 0	41 11 9	41 12 9	41 13 0	41 13 6	41 11 6	41 12 0	41 12 0	41 13 4	41 12 9	41 15 9
	28 8 0	28 5 0	28 4 6	28 5 0	28 3 6	28 3 6	28 4 0	28 4 0	28 8 0	28 9 0	28 7 0	28 5 6	28 5 0	28 6 0	28 4 3	28 3 6	28 3 0	28 3 0	28 3 0	28 3 6	28 2 6	28 4 6	28 4 6	28 4 6	28 4 0	28 4 6	28 6 6
Ready	62 10 0	61 13 0	62 2 0	63 2 0	62 13 0	63 1 0	63 4 6	63 5 0	63 8 0	63 8 0	62 14 0	62 14 0	62 11 0	62 12 0	62 11 0	62 7 6	61 7 0	61 4 0	61 2 0	61 8 6	61 8 6	61 11 6	61 5 0	60 11 0	61 3 0	62 0 0
Forward	62 6 0	61 9 0	62 0 0	63 0 0	62 13 0	63 0 0	63 4 0	63 3 6	63 7 0	63 7 0	62 13 0	62 13 0	62 11 0	62 12 6	62 12 0	62 8 6	61 8 6	61 5 0	61 3 0	61 9 0	61 8 0	61 11 0	61 4 6	60 9 6	61 1 6	61 15 6
F DISCOUNT.																										
Bills, 60 days' Sight	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.
Loans, on Government Securities	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,
ot on Government Paper	3½ ,,	3½ ,,	3½ ,,	3½ ,,	3½ ,,	3½ ,,	3½ ,,	3½ ,,	3½ ,,	3½ ,,	3½ ,,	3½ ,,	3½ ,,	3½ ,,	3½ ,,	3½ ,,	3½ ,,	3½ ,,	3½ ,,	3½	3½ ,,	3½ ,,	3½ ,,	3½ ,,	3½ ,,	3½ ,,
	Quiet.	Quiet.	Very easy.	Very easy.	Quiet.	Very easy.	Easy.	Easy.	Very easy.	Very easy.	Very easy.	Very easy.	Easy.	Very easy.	Very easy.	Easy.	Very easy.	Easy.	Easy.	Easy.	Quiet.	Easy.	Very easy.	Very easy.	Easy.	Very easy
IT SECURITIES.																										
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	
	86 0 0	87 13 0	88 8 0	89 12 0	90 7 0	90 5 0	89 8 0	90 12 0	90 1 0	90 5 0	90 0 0	90 3 0	91 0 0	91 4 0	91 3 0	91 2 0	91 9 0	91 12 0	92 2 0	92 6 0	92 7 0	93 3 0	94 1 0	94 0 0	94 0 0		
	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	Market closed.
	99 10 0	101 6 0	102 4 0	103 2 0	104 4 0	104 12 0	104 6 0	105 4 0	105 3 0	105 4 0	105 6 0	105 7 0	105 14 0	106 0	106 1 0	106 2 0	106 2 0	106 5 0	106 9 0	107 1 0	107 2 0	107 2 0	107 9 0	107 8 0	107 8 0		
	107 2 0	108 6 0	108 8 0	109 0 0	109 12 0	110 5 0	110 6 0	111 4 0	111 6 0	111 8 0	112 0 0	112 2 0	112 4 0	112 6 0	112 6 0	112 4 0	112 2 0	112 2 0	112 3 0	112 6 0	112 9 0	112 10 0	112 13 0	112 9 0	112 8 0		
ed for London	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
London for Bombay	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	6,200 0 0	12,300 0 0	3,600 0 0	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	4,25,000 0 0	Nil.	Nil.	Nil.	3,300 0 0	Nil.
IPORTS.	Dull, no enquiry.	Dull, no enquiry.	Dull, enquiries slack.	Dull, prices steady.	Steady, small demand.	Dull, small enquiries	Continues dull, small enquiry.	Dull, small enquiry.	Steady.	Steady.	Brighter, better demand.	Brisk inquiries, fairly good.	Firm, brisk demand.	Firm, brisk, good demand.	Firm with upward tendency.	Steady, moderate demand.	Firm, good demand.	Firm, demand moderate.	Closed during the week.	Steady with moderate demand.	Firm with moderate enquiry	Steady, enquiry moderate.	Steady, moderate demand.	Steady, with fair demand.	Weak, moderate demand.	Steady, moderate enquiry.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
6"×40 yards (per piece)	10 0 0	10 10 0	10 8 0	No stock.	No stock.	No stock.	No stock.	No stock.	No stock.	No stock.	No stock.	No stock.	No stock.	No stock.	No stock.	No stock.	No stock.	No stock.	No stock.	No stock.	No stock.	No stock.	No stock.	No stock.	No stock.	No stock.
1"×42 yards (,,)	10 12 0	11 0 0	11 7 0	11 6 0	11 6 0	11 12 0	11 11 0	11 8 0	11 9 0	11 13 0	12 1 0	12 7 0	12 13 0	13 4 0	13 3 0	13 4 0	14 0 0	13 8 0	12 12 0	12 10 0	12 10 0	12 12 0	12 12 0	12 10 0	12 10 0	12 10 0	
2/42s. (per lb.)	0 12 0	0 12 3	0 12 0	0 12 0	0 12 3	0 12 6	0 12 0	0 12 0	0 12 0	0 12 3	0 12 3	0 12 9	0 12 6	0 12 6	0 13 6	0 13 3	0 14 0	0 13 9	0 13 3	0 13 9	No stock.	No stock.	0 14 0	0 13 9	0 13 6	0 14 0	
(per cwt.)	65 0 0	70 0 0	68 0 0	68 0 0	66 0 0	68 0 0	65 0 0	66 8 0	66 0 0	66 0 0	65 8 0	66 0 0	70 0 0	71 0 0	73 8 0	73 0 0	77 0 0	74 0 0	74 0 0	72 8 0	73 8 0	74 0 0	73 0 0	74 0 0	73 0 0	75 0 0	
(,,)	56 0 0	56 0 0	56 0 0	56 0 0	56 0 0	57 0 0	57 0 0	56 8 0	57 0 0	57 0 0	56 0 0	56 0 0	57 0 0	57 0 0	57 0 0	58 0 0	59 0 0	59 0 0	59 0 0	62 0 0	63 0 0	62 0 0	63 0 0	63 0 0	63 0 0	64 0 0	
(,,)	9 8 0	9 12 0	9 8 0	9 6 0	9 8 0	9 8 0	9 10 0	10 0 0	9 12 0	10 0 0	9 12 0	9 14 0	10 0 0	9 14 0	11 8 0	10 0 0	10 8 0	10 12 0	11 4 0	11 8 0	12 4 0	12 10 0	12 12 0	13 0 0	14 0 0	16 4 0	
(,,)	11 4 0	10 12 0	11 4 0	11 4 0	11 4 0	11 4 0	11 10 0	11 12 0	11 4 0	11 8 0	11 8 0	11 8 0	11 10 0	11 8 0	12 0 0	12 0 0	12 2 0	12 0 0	12 0 0	12 8 0	13 0 0	13 12 0	13 8 0	13 8 0	14 4 0	18 0 0	
Beet. (per cwt. ex-godown)	14 0 0	14 0 0	14 0 0	14 0 0	14 0 0	14 0 0	14 0 0	14 0 0	14 0 0	14 0 0	14 0 0	14 0 0	14 4 0	14 4 0	14 4 0	14 4 0	14 6 0	14 8 0	14 12 0	15 8 0	16 0 0	16 0 0	15 10 0	15 8 0	15 8 0	15 12 0	
ated T. M. O. (,,)	18 12 0	18 12 0	18 12 0	8–8–0 Ex-Bond.	8–8–0 Ex-Bond.	8–10–0 Ex-Bond.	8–10–0Ex-Bond.	8–10–0Ex-Bond.	8–10–0 Ex-Bond.	8–10–0 Ex-Bond.	8–14–0 ExBond.	8–14–0 Ex-Bond.	8–14–0 Ex-Bond.	9–4–0 Ex-Bond.	9–2–0 Ex-Bond.	9–2–0 Ex-Bond.	9–2–0 Ex-Bond.	9–6–0 Ex-Bond.	9–8–0 Ex-Bond.	9–10–0 Ex-Bond.	9–6–0 Ex-Bond.	9–0–0 Ex-Bond.	9–0–0 Ex-Bond.	9–4–0 Ex-Bond.	9–4–0 Ex-Bond.	9–10–0Ex-Bond.
(,,)	17 6 to 18 4	17 8 to 18 6	17 6 to 18 4	15 0 0 to 16 4 0	14 14 to 16 0	14 12 0 to 16 0 0	15 0 0 to 16 6 0	15 0 0 to 16 6 0	14 8 to 15 8	15 8 to 17 0 0	14 12 0 to 16 0 0	14 8 0 to 15 8 0	14 6 0 to 15 8 0	14 6 0 to 15 8 0	14 6 0 to 15 6 0	14 8 0 to 15 8 0	14 4 0 to 15 4 0	14 3 0 to 15 3 0	13 14 to 14 8	13 14 to 14 8	13 8 to 14 4	13 8 to 14 4	13 6 to 14 6	13 6 to 14 6	13 6 to 14 6	13 10 to 14 8
COAL.																										
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
) F.O.R. (per ton)	4 4 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0
) ,, (,,)	4 4 0	4 8 0	4 8 0	4 6 0	4 6 0	4 6 0	4 6 0	4 6 0	4 6 0	4 6 0	4 6 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0
) ,, (,,)	3 0 0	3 8 0	3 8 0	3 6 0	3 6 0	3 6 0	3 6 0	3 6 0	3 6 0	3 6 0	3 6 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0
) F.O.R. (,,)	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0
EXPORTS.																										
784 lbs.)	Undecided.	Fairly steady.	Steady.	Firm.	Dull and rather weak.	Steady.	Steady.	Steady but dull.	Steady, firm.	Rather weak.	Steady, firm.	Quietly steady.	Fairly steady.	Quietly steady.	Uncertain.	Quiet, uncertain.	Uncertain, rather weak.	No trading to-day.	Steady.	Fairly steady.	Steady.	Fairly steady.	Weaker, unofficially closed.	Weak.	Fairly steady.	Steady.
F.G.	Rs. a. p. 117 0 0 Spot.	Rs. a. p. 132 0 0 Spot.	Rs. a. p. 135 0 0 Spot.	Rs. a. p. 147 0 0 Spot.	Rs. a. p. 143 0 0 Spot.	Rs. a. p. 140 0 0 Spot.	Rs. a. p. 139 0 0 Spot.	Rs. a. p. 138 0 0 Spot.	Rs. a. p. 139 0 0 Spot.	Rs. a. p. 141 0 0 Spot.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p. 144 0 0 Spot.	Rs. a. p. 139 0 0 Spot.	Rs. a. p. 133 0 0 Spot.	Rs. a. p. 133 0 0 Spot.
F.G.	114 0 0 July 1940.	129 0 0 July 1940.	132 0 0 July 1940.	....	....	....	....	....	....	....	....	....	....	140 0 0 Dec.–Jan. 1941.	138 0 0 Dec.–Jan. 1941.	138 0 0 Dec.–Jan. 1941.	138 0 0 Dec.–Jan. 1941.	139 0 0 Dec.–Jan. 1941.	140 0 0 Dec.–Jan. 1941.	143 0 0 Dec.–Jan. 1941.	144 0 0 Dec.–Jan. 1941.	144 0 0 Dec.–Jan. 1941.	142 0 0 Dec.–Jan. 1941.	137 0 0 Dec.–Jan. 1941.	131 0 0 Dec.–Jan. 1941.	
F.G.	130 0 0 Dec.–Jan. 1941.	140 0 0 Dec.–Jan. 1941.	144 0 0 Dec.–Jan. 1941.	140 0 0 Dec.–Jan. 1941.	137 0 0 Dec.–Jan. 1941.	136 0 0 Dec.–Jan. 1941.	135 0 0 Dec.–Jan. 1941.	136 0 0 Dec.–Jan. 1941.	138 0 0 Dec.–Jan. 1941.	141 0 0 Dec.–Jan. 1941.	141 0 0 Dec.–Jan. 1941.	146 0 0 Dec.–Jan. 1941.	142 0 0 March 1941.	141 0 0 March 1941.	139 0 0 March 1941.	140 0 0 March 1941.	141 0 0 March 1941.	142 0 0 March 1941.	145 0 0 March 1941.	147 0 0 March 1941.	147 0 0 March 1941.	145 0 0 March 1941.	139 0 0 March 1941.	132 0 0 March 1941.	132 0 0 March 1941.	
Fine	139 0 0 Spot.	160 0 0 Spot.	166 0 0 Spot.	177 0 0 Spot.	174 0 0 Spot.	171 0 0 Spot.	169 0 0 Spot.	170 0 0 Spot.	169 0 0 Spot.	175 0 0 Spot.	....	....	....	....	....	....	....	....	....	....	....	182 0 0 Spot.	178 0 0 Spot.	166 0 0 Spot.	160 0 0 Spot.	159 0 0 Spot.	
Fine.	138 0 0 July 1940.	159 0 0 July 1940.	165 0 0 July 1940.	....	....	....	....	....	....	....	....	....	....	173 0 0 Dec.–Jan. 1941.	170 0 0 Dec.–Jan. 1941.	169 0 0 Dec.–Jan. 1941.	....	....	....	....	....	....	176 0 0 Dec.–Jan. 1941.	175 0 0 Dec.–Jan. 1941.	164 0 0 Dec.–Jan. 1941.	158 0 0 Dec.–Jan. 1941.	157 0 0 Dec.–Jan. 1941.	
Fine.	157 0 0 Dec.–Jan. 1941.	169 0 0 Dec.–Jan. 1941.	171 0 0 Dec.–Jan. 1941.	177 0 0 Dec.–Jan. 1941.	174 0 0 Dec.–Jan. 1941.	171 0 0 Dec.–Jan. 1941.	169 0 0 Dec.–Jan. 1941.	169 0 0 Dec.–Jan. 1941.	169 0 0 Dec.–Jan. 1941.	171 0 0 Dec.–Jan. 1941.	176 0 0 Dec.–Jan. 1941.	175 0 0 Dec.–Jan. 1941.	179 0 0 Dec.–Jan. 1941.	175 0 0 March 1941.	172 0 0 March 1941.	170 0 0 March 1941.	168 0 0 March 1941.	169 0 0 March 1941.	172 0 0 March 1941.	175 0 0 March 1941.	176 0 0 March 1941.	....	....	....	....	....	
Fine.	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	170 0 0 March 1941.	171 0 0 March 1941.	174 0 0 March 1941.	177 0 0 March 1941.	179 0 0 March 1941.	181 0 0 March 1941.	178 0 0 March 1941.	167 0 0 March 1941.	160 0 0 March 1941.	169 0 0 March 1941.	
F.G.	136 0 0 Spot.	170 0 0 Spot.	174 0 0 Spot.	184 0 0 Spot.	179 0 0 Spot.	178 0 0 Spot.	176 0 0 Spot.	181 0 0 Spot.	176 0 0 Spot.	182 0 0 Spot.	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	
F.G.	155 0 0 July–Aug. 1940.	169 0 0 July–Aug. 1940.	173 0 0 July–Aug. 1940.	183 0 0 July–Aug. 1940.	178 0 0 July–Aug. 1940.	177 0 0 July–Aug. 1940.	175 0 0 July–Aug. 1940.	180 0 0 July–Aug. 1940.	176 0 0 July–Aug. 1940.	180 0 0 July–Aug. 1940.	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	
F.G.	181 0 0 April–May 1941.	192 0 0 April–May 1941.	194 0 0 April–May 1941.	199 0 0 April–May 1941.	196 0 0 April–May 1941.	194 0 0 April–May 1941.	192 0 0 April–May 1941.	190 0 0 April–May 1941.	186 0 0 April–May 1941.	192 0 0 April–May 1941.	198 0 0 April–May 1941.	197 0 0 April–May 1941.	203 0 0 April–May 1941.	197 0 0 April–May 1941.	194 0 0 April–May 1941.	192 0 0 April–May 1941.	192 0 0 April–May 1941.	194 0 0 April–May 1941.	197 0 0 April–May 1941.	202 0 0 April–May 1941.	206 0 0 April–May 1941.	208 0 0 April–May 1941.	205 0 0 April–May 1941.	195 0 0 April–May 1941.	188 0 0 April–May 1941.	188 0 0 April–May 1941.
F.G.	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	194 0 0 July–Aug. 1941.	
S AND WHEAT.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.
(per cwt.)	Rs. a. p. 3 10 0	Rs. a. p. 3 11 0	Rs. a. p. 3 12 0	Rs. a. p. 3 12 0	Rs. a. p. 3 11 0	Rs. a. p. 3 12 0	Rs. a. p. 3 9 0	Rs. a. p. 3 9 0	Rs. a. p. 3 9 0	Rs. a. p. 3 10 0	Rs. a. p. 3 12 0	Rs. a. p. 3 10 0	Rs. a. p. 3 10 0	Rs. a. p. 3 1 0	Rs. a. p. 3 1 0	Rs. a. p. 3 3 0	Rs. a. p. 3 2 0	Rs. a. p. 3 6 0	Rs. a. p. 3 2 0	Rs. a. p. 3 2 0	Rs. a. p. 3 2 0	Rs. a. p. 3 2 0	Rs. a. p. 3 0 0	Rs. a. p. 2 14 0	Rs. a. p. 2 11 6	Rs. a. p. 2 10 0
or cent. (,,)	9 8 0	9 10 0	9 12 0	10 0 0	9 14 0	10 0 0	9 14 0	9 14 0	9 14 0	9 14 0	10 0 0	9 14 0	9 0 0	8 8 0	8 0 0	7 14 0	7 12 0	7 12 0	7 12 0	7 9 0	7 8 0	7 10 0	7 10 0	7 10 0	7 10 0	7 9 0

Linseed, Bold .. .. („)	6 11 6		7 3 6		7 7 0		7 4 6		7 0 0		7 0 0		6 12 0		6 3 6		6 8 6		7 1 0		7 11 0		7 8 3		7 7 6		7 6 0		7 6 9		7 4 3		7 2 0		7 4 0		7 2 6		7 2 0		7 8 0		7 6 6		7 5 0		7 3 6	
„ Small Seed .. .. („)	6 11 0		7 2 6						6 15 0		6 15 0		6 11 6		6 3 0		6 8 0		7 0 6		7 10 6				7 5 6		7 6 6				7 2 0		7 4 0		7 2 6		7 2 0		7 7 0		7 6 0				7 3 0	
Rapeseed, Guzerat, Yellow .. .. („)																																													
„ Brown, Delhi .. .. („)	7 0 0	Nom.	7 4 0	Nom.	7 4 0	Nom.	7 4 0	Nom.	7 4 0	Nom.	7 4 0	Nom.	7 0 0	Nom.	7 0 0	Nom.	7 0 0	Nom.	7 8 0	Nom.	7 8 0	Nom.	7 8 0	Nom.	7 8 0	Nom.	7 8 0	Nom.	7 8 0	Nom.	7 4 0	Nom.	7 4 0	Nom.	7 4 0	Nom.	7 4 0	Nom.	7 4 0	Nom.	7 4 0	Nom.	7 4 0	Nom.	7 0 0	Nom.	7 0 0	Nom.
„ „ Cawnpore .. .. („)	7 0 0	„	7 4 0	„	7 4 0	„	7 4 0	„	7 4 0	„	7 4 0	„	7 0 0	„	7 0 0	„	7 0 0	„	7 8 0	„	7 8 0	„	7 8 0	„	7 8 0	„	7 8 0	„	7 8 0	„	7 4 0	„	7 4 0	„	7 4 0	„	7 4 0	„	7 4 0	„	7 4 0	„	7 0 0	„	7 0 0	„
„ Yellow .. .. („)	7 12 0	„	8 0 0	„	8 0 0	„	8 0 0	„	8 0 0	„	8 0 0	„	7 8 0	„	7 8 0	„	7 8 0	„	8 0 0	„	8 0 0	„	8 0 0	„	8 0 0	„	8 0 0	„	8 0 0	„	7 12 0	„	7 12 0	„	7 12 0	„	7 12 0	„	7 12 0	„	7 12 0	„	7 8 0	„	7 8 0	„
Poppyseed .. .. („)																																													
Groundnuts, Bombay Bold .. .. („)	5 12 3		6 2 0		6 3 0		6 5 0		5 14 0		5 8 0		5 4 0		5 4 0		5 6 0		5 9 0		5 15 0		5 8 0		5 12 0		5 15 0		6 0 0		5 13 0		6 2 0		5 7 0				5 9 0		5 6 0		5 8 6		5 6 0		5 6 6	
Mowra Seed .. .. („)	5 0 0	Nom.	4 14 0	Nom.	5 0 0	Nom.	4 12 0	Nom.	4 12 0	Nom.	4 12 0	Nom.	4 4 0	Nom.	4 4 0	Nom.	4 4 0	Nom.	4 4 0	Nom.	4 4 0	Nom.	5 0 0	Nom.	5 8 0	Nom.	6 0 0	Nom.	6 0 0	Nom.	6 0 0	Nom.	6 4 0	Nom.	6 0 0	Nom.	6 4 0	Nom.	6 0 0	Nom.	6 4 0	Nom.	6 0 0	Nom.	6 0 0	Nom.	6 2 0	Nom.	6 11 0	
Castorseed, Small, Hyderabad Quality F.A. .. .. („)	7 3 0		7 13 0		7 13 0		7 14 0		7 8 0		7 13 0		6 13 0		6 7 0		6 11 0		7 1 0		7 5 0		7 4 0		7 8 0		7 5 0		7 7 0		7 8 0		7 4 0				7 5 0		7 6 0		7 8 0		7 5 0		6 11 0	
Wheat, White Pessy, 91 per cent. .. .. .. („)	5 6 0	Nom.	5 14 0	Nom.	5 14 0	Nom.	6 0 0	Nom.	6 1 0	Nom.	5 13 0	Nom.	5 13 0	Nom.	5 13 0	Nom.	5 13 0	Nom.	5 14 0	Nom.	5 14 0	Nom.	5 14 0	Nom.	6 1 0	Nom.	6 1 0	Nom.	6 0 0	Nom.	5 15 0	Nom.	5 14 6	Nom.	6 0 0	Nom.	6 1 6	Nom.	6 5 0	Nom.	6 2 6	Nom.	6 0 0	Nom.	6 1 0	Nom.	6 0 0	Nom.
„ „ „ 85 „ .. .. .. („)	5 5 0	„	5 13 0	„	5 13 0	„	5 15 0	„	5 15 0	„	5 12 0	„	5 12 0	„	5 12 0	„	5 12 0	„	5 13 0	„	5 13 0	„	5 13 0	„	6 0 0	„	6 0 0	„	5 15 0	„	5 14 0	„	5 14 6	„	5 15 0	„	5 13 6	„	6 3 0	„	6 0 6	„	5 15 0	„	6 0 0	„
„ „ „ 70 „ .. .. .. („)	5 4 0	„	5 12 0	„	5 12 0	„	5 14 0	„	5 15 0	„	5 11 0	„	5 11 0	„	5 11 0	„	5 11 0	„	5 12 0	„	5 12 0	„	5 12 0	„	6 0 0	„	5 15 0	„	5 14 0	„	5 13 0	„	5 12 6	„	5 13 0	„	5 13 6	„	6 2 0	„	5 15 6	„	5 15 0	„	5 14 6	„
„ Jubbulpore Pessy .. .. („)	5 3 0	„	5 11 0	„	5 11 0	„	5 13 0	„	5 14 0	„	5 10 0	„	5 10 0	„	5 10 0	„	5 10 0	„	5 11 0	„	5 11 0	„	5 11 0	„	5 14 0	„	5 14 0	„	5 13 0	„	5 12 0	„	5 12 0	„	5 13 0	„	5 12 6	„	6 2 0	„	5 15 6	„	5 13 0	„	5 14 6	„
„ Hard Yellow, 75 per cent. .. .. .. („)	6 10 0	„	7 0 0	„	6 15 0	„	6 15 0	„	7 2 0	„	6 10 0	„	6 10 0	„	6 10 0	„	6 10 0	„	6 10 0	„	7 0 0	„	7 0 0	„	7 0 0	„	6 14 0	„	6 14 0	„	7 0 0	„	7 0 0	„	7 0 0	„	7 0 0	„	7 2 0	„	7 4 0	„	7 0 0	„	7 0 0	„	7 0 0	„
„ „ „ 63 „ .. .. .. („)	6 5 0	„	6 11 0	„	6 10 0	„	6 10 0	„	6 13 0	„	6 5 0	„	6 5 0	„	6 5 0	„	6 5 0	„	6 5 0	„	6 11 0	„	6 11 0	„	6 9 0	„	6 9 0	„	6 11 0	„	6 11 0	„	6 11 0	„	6 13 0	„	6 15 0	„	6 13 0	„	6 12 0	„	6 13 0	„	6 13 0	„
„ „ „ 50 „ .. .. .. („)	6 0 0	„	6 6 0	„	6 5 0	„	6 8 0	„	6 8 0	„	6 0 0	„	6 0 0	„	6 0 0	„	6 0 0	„	6 0 0	„	6 6 0	„	6 6 0	„	6 4 0	„	6 4 0	„	6 6 0	„	6 6 0	„	6 6 0	„	6 8 0	„	6 10 0	„	6 10 0	„	6 10 0	„	6 10 0	„	6 10 0	„
„ Delhi, No. 1, White Pessy .. .. .. („)	5 0 0		5 6 0		5 6 0		5 7 0		5 6 0		5 3 0		5 3 0		5 2 0		5 4 0		5 6 0		5 5 0		5 7 0		5 8 0		5 9 0		5 10 0		5 9 0		5 10 6		5 11 0		5 14 0		6 3 0		6 1 0		6 0 0		5 16 0	
„ „ Red .. .. („)	4 15 0		5 6 0		5 6 0		5 6 0		5 7 0		5 1 0		5 1 0		5 1 0		5 2 0		5 4 0		5 3 0		5 6 0		5 7 0		5 7 0		5 8 6		5 10 0		5 12 0		6 2 0		5 15 0		5 13 0		5 15 0		5 13 0		5 13 0	

FREIGHTS.

Market																																			
London—Light Seeds .. .. (per ton)	S. d. 49 6		S. d. 49 6		S. d. 49 6		S. d. 49 6		S. d. 49 6		S. d. 49 6		S. d. 49 6		S. d. 49 6		S. d. 49 6		S. d. 49 6		S. d. 49 6		S. d. 49 6		S. d. 49 6		S. d. 49 6		S. d. 49 6		S. d. 89 0		S. d. 89 0		S. d. 89 0		S. d. 89 0		S. d. 89 0		S. d. 89 0		S. d. 89 0		S. d. 89 0		S. d. 89 0		S. d. 89 0	
„ Cotton .. .. („)	62 6		62 6		62 6		62 6		62 6		62 6		62 6		62 6		62 6		62 6		62 6		62 6		62 6		62 6		102 0		102 0		102 0		102 0		102 0		102 0		102 0		102 0		102 0		102 0	
Hull—Light Seeds .. .. („)	49 6		49 6		49 6		49 6		49 6		49 6		49 6		49 6		49 6		49 6		49 6		49 6		49 6		49 6		89 0		89 0		89 0		89 0		89 0		89 0		89 0		89 0		89 0		89 0	
„ Cotton .. .. („)	62 6		62 6		62 6		62 6		62 6		62 6		62 6		62 6		62 6		62 6		62 6		62 6		62 6		62 6		102 0		102 0		102 0		102 0		102 0		102 0		102 0		102 0		102 0		102 0	
Liverpool—Light Seeds .. .. („)	49 6		49 6		49 6		49 6		49 6		49 6		49 6		49 6		49 6		49 6		49 6		49 6		49 6		49 6		89 0		89 0		89 0		89 0		89 0		89 0		89 0		89 0		89 0		89 0	
„ Cotton .. .. („)	62 6		62 6		62 6		62 6		62 6		62 6		62 6		62 6		62 6		62 6		62 6		62 6		62 6		62 6		102 0		102 0		102 0		102 0		102 0		102 0		102 0		102 0		102 0		102 0	
Antwerp—Light Seeds .. .. („)	49 6		49 6		49 6		49 6		49 6		49 6		49 6		49 6		49 6		49 6		49 6		49 6		49 6		49 6		89 0		89 0		89 0		89 0		89 0		89 0		89 0		89 0		89 0		89 0	
„ Cotton .. .. („)	62 6		62 6		62 6		62 6		62 6		62 6		62 6		62 6		62 6		62 6		62 6		62 6		62 6		62 6		102 0		102 0		102 0		102 0		102 0		102 0		102 0		102 0		102 0		102 0	
Ghent—Light Seeds .. .. („)	49 6		49 6		49 6		49 6		49 6		49 6		49 6		49 6		49 6		49 6		49 6		49 6		49 6		49 6		89 0		89 0		89 0		89 0		89 0		89 0		89 0		89 0		89 0		89 0	
„ Cotton .. .. („)	62 6		62 6		62 6		62 6		62 6		62 6		62 6		62 6		62 6		62 6		62 6		62 6		62 6		62 6		102 0		102 0		102 0		102 0		102 0		102 0		102 0		102 0		102 0		102 0	
Rotterdam—Light Seeds .. .. („)																																													
„ Cotton .. .. („)																																													
Hamburg—Light Seeds .. .. („)																																													
„ Cotton .. .. („)																																													
Dunkirk—Light Seeds .. .. („)																																													
„ Cotton .. .. („)	Not quoting.		Not quoting.		Not quoting.		Not quoting.		Not quoting.		Not quoting.		Not quoting.		Not quoting.		Not quoting.		Not quoting.		Not quoting.		Not quoting.		Not quoting.		Not quoting.		Not quoting.		Not quoting.		Not quoting.		Not quoting.		Not quoting.		Not quoting.		Not quoting.		Not quoting.		Not quoting.		Not quoting.	
Havre—Light Seeds .. .. („)																																													
„ Cotton .. .. („)																																													
Marseilles—Light Seeds .. .. („)																																													
„ Cotton .. .. („)																																													
Barcelona—Light Seeds .. .. („)																																													
„ Cotton .. .. („)																																													
Genoa, Naples and Leghorn—Light Seeds																																													
„ „ „ „ Cotton																																													
Trieste, Venice—Seeds .. .. („)																																													
„ „ Cotton .. .. („)																																													
New York—Seeds .. .. („)																																													
„ Cotton .. .. („)																																													
China Steamers (P. & O.) Cotton .. .. (per bale)	Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16	
Japan Steamers (P. & O.) „ .. .. .. („)	Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16		Yen 6.16	

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Current Quotations as estimated by the Committee of the Bombay Chamber of Commerce during the year 1940.

QUOTATIONS.	Week ending 5th January 1940.	Week ending 12th January 1940.	Week ending 19th January 1940.	Week ending 26th January 1940.	Week ending 2nd February 1940.	Week ending 9th February 1940.	Week ending 16th February 1940.	Week ending 23rd February 1940.	Week ending 1st March 1940.	Week ending 8th March 1940.	Week ending 15th March 1940.	Week ending 20th March 1940.	Week ending 29th March 1940.	Week ending 5th April 1940.	Week ending 12th April 1940.	Week ending 19th April 1940.	Week ending 26th April 1940.	Week ending 3rd May 1940.	Week ending 10th May 1940.	Week ending 17th May 1940.	Week ending 24th May 1940.	Week ending 31st May 1940.	Week ending 7th June 1940.	Week ending 14th June 1940.
EXCHANGE.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.
On England Bank Bills. Telegraphic Transfer	1s. 5 31/32d.	1s. 5 31/22d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.
Sight	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.
3 months'	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
4 "	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
6 "	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
First Class Credits 3 months' Sight	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.
4 " "	1s. 6 1/2d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 1/2d.	1s. 6 1/2d.	1s. 6 1/2d.	1s. 6 9/32d.	1s. 6 1/2d.	1s. 6 1/2d.	1s. 6d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.
6 " "	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	Banks Buying.
French Francs, D/A Sight	1340	1340	1340	1340	1340	1340	1345	1345	1350	1350	1350	1350	1350	1350	1350	1350	1350	1350	1350	1350	1350	1350	1350	1350
" " 3 months' "	1360	1360	1360	1360	1360	1365	1365	1365	1370	1370	1360	1360	1370	1370	1370	1370	1370	1370	1370	1370	1370	1365	1370	1370
On Calcutta Bank Telegraphic Transfer	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/32	100 1/16
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Mercantile Bills 60 days' Sight (Japan per 100 Yens)	78 10 0	78 4 0	77 14 0	77 8 0	77 14 0	77 8 0	78 2 0	77 12 0	78 8 0	78 2 0	83 0 0	82 4 0	85 12 0	86 6 0	86 10 0	87 14 0	87 14 0	88 8 0	92 6 0	94 4 0	96 6 0	96 6 0	82 10 0	82 4 0
English Bar Gold (100 touch per tola)	41 13 9	42 1 3	42 4 0	42 4 6	42 4 9	42 6 6	42 6 3	42 6 6	42 9 6	42 10 6	42 11 9	42 7 6	42 8 6	42 7 0	42 8 0	42 8 0	42 9 6	42 8 3	42 9 3	45 9 0	45 13 6	44 11 0	43 12 0	44 13 0
Sovereigns	26 12 0	26 14 0	27 0 0	26 15 6	27 1 0	27 3 0	27 3 9	27 6 6	27 9 3	27 12 0	27 9 6	27 7 6	27 8 0	27 6 0	27 7 6	27 7 6	27 8 6	27 9 6	27 10 6	29 14 0	30 12 0	30 0 0	29 10 0	30 4 0
Bar Silver Ready	61 1 0	60 9 0	59 13 0	57 12 0	56 13 0	56 14 0	56 2 0	56 9 0	58 1 0	59 5 0	57 14 0	56 10 6	57 2 0	56 1 0	58 8 0	58 12 0	58 13 0	60 0 0	59 15 0	63 8 0	62 7 0	62 2 0	62 0 0	63 7 0
Forward	61 6 0	60 9 0	59 13 0	57 14 0	57 1 0	56 7 0	54 10 0	55 8 0	58 7 0	59 11 0	58 3 0	57 0 0	57 8 0	56 9 0	58 12 0	58 6 0	59 3 0	60 5 0	60 3 0	62 11 0	62 10 0	62 9 0	62 0 0	63 5 6
RATES OF DISCOUNT.																								
Bank Rate of Discount on Private Bills, 60 days' Sight	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.
Bank Rate of Interest on Demand Loans on Government Securities	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "
Rate of Interest in the Open Market on Government Paper	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "
Money Market	Steady.	Steady.	Steady.	Quieter.	Steady.	Quiet.	Easy.	Steady.	Steady.	Steady.	Steady.	Steady.	Steady.	Steady.	Quiet.	Quiet.	Quiet.	Easy.	Very easy.	Quiet.	Easy.	Quiet.	Quiet.	Quiet.
GOVERNMENT SECURITIES.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Three and half per cent.	87 12 0	88 2 0	89 14 0	92 2 0	90 10 0	90 14 0	91 3 0	91 8 0	93 0 0	94 5 0	94 3 0	94 0 0	94 11 0	95 2 0	93 12 0	94 4 0	94 11 0	94 14 0	95 0 0	90 10 0	86 4 0	88 10 0	90 8 0	88 12 0
Three per cent.	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
Four per cent. 1960/70	103 0 0	103 9 0	104 0 0	106 2 0	105 12 0	105 10 0	105 11 0	105 14 0	107 2 0	108 4 0	108 4 0	108 1 0	108 3 0	108 6 0	107 12 0	108 2 0	108 8 0	108 10 0	109 0 0	106 0 0	103 10 0	103 4 0	103 6 0	102 8 0
Five per cent. tax free 1945/55	110 4 0	110 2 0	110 3 0	110 6 0	110 10 0	110 11 0	110 11 0	111 3 0	112 7 0	112 6 0	112 3 0	111 13 0	111 14 0	111 15 0	111 6 0	111 10 0	111 15 0	112 1 0	112 4 0	110 0 0	107 4 0	107 2 0	107 12 0	107 4 0
Memo. of Government Paper enfaced for London	....	....	....	....	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*
Government Paper enfaced from London to Bombay	14,600 0 0	6,000 0 0	....	....	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	10,000 0 0	6,000 0 0	18,100 0 0	*Nil.*	*Nil.*	*Nil.*	*Nil.*	2,48,800 0 0	6,000 0 0	*Nil.*	*Nil.*	*Nil.*	*Nil.*	25,900 0 0	18,700 0 0
IMPORTS.																								
Piecegoods Market	Quiet with no enquiry.	Dull with no demand.	Continues dull with no enquiry.	Steady, moderate enquiry.	Dull with little or no enquiry.	Continues dull.	Unchanged.	Dull owing to poor offtake.	Improving with small enquiry.	Steady with moderate enquiry.	More active with better enquiry.	Active and firm.	Steady, small enquiry.	Steady, fair enquiries.	Steady, enquiries moderate.	Steady with fair enquiry.	Firm with fair enquiry.	Quiet with small enquiry.	Prices rising with better enquiry.	Prices firm with rising tendency.	Quiet, prices firm.	Prices firm, small enquiries.	Quiet, prices steady.	Dull, prices unsteady, poor enquiry.
Japanese Grey Shirtings, Peach, 36" × 40 yards (per piece)	Rs. a. p. 11 8 0	Rs. a. p. 11 0 0	Rs. a. p. 11 0 0	Rs. a. p. 10 10 0	Rs. a. p. 10 10 0	Rs. a. p. 10 14 0	Rs. a. p. 10 12 0	Rs. a. p. 11 12 0	Rs. a. p. 11 0 0	Rs. a. p. 11 0 0	Rs. a. p. 10 14 0	Rs. a. p. 10 12 0	Rs. a. p. 10 10 0	Rs. a. p. 10 8 0	Rs. a. p. 11 0 0	Rs. a. p. 11 0 0	Rs. a. p. 11 0 0	Rs. a. p. 11 12 0	Rs. a. p. 11 4 0	Rs. a. p. 11 4 0	Rs. a. p. 11 0 0	Rs. a. p. 10 14 0	Rs. a. p. 10 12 0	Rs. a. p. 10 12 0
" White 300, 34" × 42 yards (")	11 9 0	11 14 0	11 13 6	11 8 0	11 9 0	11 10 0	11 11 0	11 8 0	11 12 0	11 11 0	11 11 0	11 7 0	11 7 0	11 4 0	11 9 0	11 13 0	11 12 0	11 13 6	11 14 6	12 2 0	11 13 6	11 10 0	11 10 0	11 16 0
" Grey Yarn, Five Star 2/42s (per lb.)	0 13 9	0 13 6	0 13 6	0 13 6	0 13 6	0 12 6	0 12 3	0 13 0	0 12 9	0 12 9	0 12 9	0 12 9	0 12 9	0 12 9	0 12 9	0 13 6	0 13 6	0 13 6	0 13 9	0 13 6	0 13 6	0 13 3	0 13 3	0 13 0
Copper Braziers (in Bundles) (per cwt.)	93 0 0	90 0 0	88 0 0	79 0 0	76 0 0	80 0 0	75 0 0	72 0 0	77 0 0	71 8 0	74 0 0	72 0 0	75 0 0	74 0 0	77 0 0	75 0 0	80 0 0	82 8 0	82 8 0	83 4 0	81 0 0	75 0 0	73 8 0	73 8 0
Yellow Metal (")	60 0 0	63 0 0	58 0 0	58 0 0	57 0 0	57 0 0	57 0 0	57 0 0	57 0 0	58 0 0	57 0 0	58 0 0	57 0 0	59 0 0	60 0 0	59 0 0	60 0 0	61 0 0	62 0 0	62 0 0	62 0 0	62 0 0	62 0 0	62 0 0
Continental Basic Steel Bars	10 0 0	10 8 0	10 4 0	10 0 0	10 0 0	9 12 0	9 12 0	9 12 0	9 10 0	9 8 0	9 8 0	9 4 0	9 4 0	9 2 0	9 4 0	9 6 0	9 14 0	9 12 0	10 12 0	12 0 0	10 8 0	10 8 0	10 8 0	10 8 0
" Nail Rods (")	12 0 0	12 0 0	11 8 0	11 8 0	11 8 0	11 8 0	11 8 0	11 12 0	11 8 0	11 8 0	11 8 0	11 4 0	11 4 0	11 4 0	11 8 0	11 8 0	11 8 0	12 0 0	12 4 0	12 0 0	12 0 0	12 0 0	12 0 0	12 4 0
Galvanized Corrugated Sheets ")	15 8 0	15 8 0	15 8 0	15 4 0	15 4 0	15 2 0	14 12 0	15 0 0	15 8 0	15 0 0	14 8 0	14 0 0	14 0 0	14 0 0	14 0 0	14 4 0	14 8 0	14 8 0	14 9 0	14 8 0	14 2 0	14 2 0	14 0 0	14 0 0
Sugar Ordinary Crystals Beet (per cwt. ex. Godown)	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
Java White Granulated T.M.O. quality (per cwt. ex. Godown)	19 7 0	19 0 0	18 14 0	18 10 0	18 6 0	18 4 0	18 6 0	18 0 0	18 4 0	18 4 0	18 6 0	17 14 0	18 4 0	18 8 0	18 6 0	18 6 0	18 6 0	18 8 0	18 10 0	19 0 0	19 6 0	19 6 0	18 12 0	18 14 0
Indian (per cwt. ex. Godown)	18 8 0 to 19 3 0	18 4 0 to 18 14 0	18 1 to 18 10 0	17 12 0 to 18 3 0	17 12 0 to 18 3 0	17 12 0 to 18 3 0	17 14 0 to 18 4 0	17 10 0 to 18 0 0	17 14 0 to 18 4 0	17 12 0 to 18 0 0	17 10 0 to 18 2 0	17 8 0 to 17 12 0	17 10 0 to 18 2 0	17 15 0 to 18 8 0	17 15 0 to 18 6 0	18 1 0 to 18 8 0	17 12 0 to 18 4 0	17 12 0 to 18 4 0	17-14 to 18-6	18-0 to 18-10	18-2 to 18-12	17-15 to 18-11	17-10 to 18-9	17-12 to 18-10
COAL.																								
Indian Coal, F.O.R.—																								
Bengal Coal—	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Deshargarh (Selected Grade) F.O.R. (per ton)	5 0 0	5 0 0	5 0 0	4 12 0	4 12 0	4 12 0	4 12 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0
Jehria (Selected Grade) F.O.R. (")	5 0 0	5 0 0	5 0 0	4 12 0	4 12 0	4 12 0	4 12 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0
Jehria (Grade I) F.O.R. (")	3 8 0	3 8 0	3 4 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0
Central Provinces (1st class) F.O.R. (")	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 6 0	5 6 0	5 6 0	5 6 0	5 4 0	5 4 0	5 4 0	5 4 0	5 4 0	5 4 0	5 4 0	5 4 0
EXPORTS.																								
Cotton.—																								
(Fully pressed, per Candy of 784 lbs.)																								
Cotton Market	Steady.	Uncertain.	Weak.	Weak.	Steady.	Steady.	Quiet.	Steady.	Steady.	Quiet and uncertain.	Fairly steady.	Uncertain.	Weak.	Quiet but steady.	Steady.	Steady.	Steady.	Fairly steady.	Weak.	Nervous.	Nervous.	Steady.	Steady.	Weak.
M. G. Bengals (Railway terms) F. G.	Rs. a. p. 236 0 0 Spot.	Rs. a. p. 223 0 0 Spot.	Rs. a. p. 215 0 0 Spot.	Rs. a. p. 205 0 0 Dec.-Jan.	Rs. a. p. 198 0 0 Spot.	Rs. a. p. 199 0 0 Spot.	Rs. a. p. 197 0 0 Spot.	Rs. a. p. 199 0 0 Spot.	Rs. a. p. 199 0 0 Spot.	Rs. a. p. 199 0 0 Spot.	Rs. a. p. 196 0 0 Spot.	Rs. a. p. 188 0 0 Mar.	Rs. a. p. 189 0 0 Spot.	Rs. a. p. 185 0 0 Spot.	Rs. a. p. 201 0 0 Spot.	Rs. a. p. 199 0 0 Spot.	Rs. a. p. 207 0 0 Spot.	Rs. a. p. 203 0 0 Spot.	Rs. a. p. 194 0 0 Spot.	Rs. a. p. 161 0 0 Spot.	Rs. a. p. 136 0 0 Spot.	Rs. a. p. 129 0 0 Spot.	Rs. a. p. 125 0 0 Spot.	Rs. a. p. 120 0 0 Spot.
" " (") F. G.	234 0 0 Dec.-Jan.	221 0 0 Dec.-Jan.	213 0 0 Dec.-Jan.	207 0 0 March	198 0 0 March	202 0 0 March	199 0 0 March	197 0 0 Mar.	199 0 0 Mar.	199 0 0 Mar.	195 0 0 Mar.	188 0 0 May	188 0 0 May	184 0 0 May.	200 0 0 May.	202 0 0 May.	206 0 0 May.	203 0 0 May.	194 0 0 May.	160 0 0 May.	135 0 0 May.	133 0 0 July.	128 0 0 July.	122 0 0 July.
" " (") F. G.	237 0 0 Mar.	225 0 0 March	216 0 0 March	210 0 0 May	201 0 0 May	202 0 0 May	202 0 0 May.	202 0 0 May.	202 0 0 May.	202 0 0 May.	197 0 0 May.	190 0 0 July.	190 0 0 July.	186 0 0 July.	202 0 0 July.	200 0 0 July.	206 0 0 July.	202 0 0 July.	194 0 0 July.	163 0 0 July.	140 0 0 July.	145 0 0 Dec.-Jan. 1941.	138 0 0 Dec.-Jan. 1941.	133 0 0 Dec.-Jan. 1941.
" Oomra (Fair staple) Fine	292 0 0 Spot.	274 0 0 Spot.	263 0 0 Spot.	247 0 0 Dec.-Jan.	239 0 0 Spot.	238 0 0 Spot.	234 0 0 Spot.	237 0 0 Spot.	243 0 0 Spot.	238 0 0 Spot.	231 0 0 Spot.	223 0 0 Mar.	223 0 0 Mar.	216 0 0 Spot.	235 0 0 Spot.	234 0 0 Spot.	238 0 0 Spot.	232 0 0 Spot.	198 0 0 Spot.	171 0 0 Spot.	162 0 0 Spot.	154 0 0 Spot.	145 0 0 Spot.	
" " (") Fine	289 0 0 Dec.-Jan.	271 0 0 Dec.-Jan.	261 0 0 Dec.-Jan.	250 0 0 March	239 0 0 March	238 0 0 March	234 0 0 Mar.	237 0 0 Mar.	242 0 0 Mar.	237 0 0 Mar.	230 0 0 Mar.	223 0 0 May.	223 0 0 May.	225 0 0 May.	234 0 0 May.	233 0 0 May.	237 0 0 May.	237 0 0 May.	230 0 0 May.	196 0 0 May.	170 0 0 May.	157 0 0 July.	156 0 0 July.	147 0 0 July.	
" " (") Fine	293 0 0 March	275 0 0 March	262 0 0 March	253 0 0 May	242 0 0 May	242 0 0 May	237 0 0 May.	241 0 0 May.	246 0 0 May.	241 0 0 May.	234 0 0 May.	227 0 0 July.	225 0 0 July.	219 0 0 July.	238 0 0 July.	238 0 0 July.	242 0 0 July.	242 0 0 July.	233 0 0 July.	199 0 0 July.	176 0 0 July.	161 0 0 Dec.-Jan. 1941.	170 0 0 Dec.-Jan. 1941.	165 0 0 Dec.-Jan. 1941.	
" Broach F. G.	331 0 0 Apr.-May	308 0 0 Apr.-May	290 0 0 Apr.-May	278 0 0 Spot.	265 0 0 Spot.	265 0 0 Spot.	261 0 0 Spot.	264 0 0 Spot.	273 0 0 Spot.	265 0 0 Spot.	256 0 0 Spot.	244 0 0 Apr.-May.	243 0 0 Apr.-May.	232 0 0 Apr.-May.	250 0 0 Apr.-May.	252 0 0 Apr.-May.	257 0 0 Spot.	259 0 0 Spot.	251 0 0 Spot.	220 0 0 Spot.	193 0 0 Spot.	185 0 0 Spot.	175 0 0 Spot.	168 0 0 Spot.
" " F. G.	338 0 0 July-Aug.	316 0 0 July-Aug.	300 0 0 July-Aug.	279 0 0 July-Aug.	268 0 0 Apr.-May	268 0 0 Apr.-May	263 0 0 Apr.-May	266 0 0 Apr.-May	274 0 0 July-Aug.	276 0 0 July-Aug.	266 0 0 July-Aug.	255 0 0 July-Aug.	255 0 0 July-Aug.	242 0 0 July-Aug.	261 0 0 July-Aug.	259 0 0 July-Aug.	262 0 0 July-Aug.	263 0 0 July-Aug.	255 0 0 July-Aug.	222 0 0 July-Aug.	200 0 0 July-Aug.	191 0 0 April-May.	178 0 0 July-Aug.	170 0 0 July-Aug.
" " F. G.	....	....	....	289 0 0 July-Aug.	276 0 0 July-Aug.	277 0 0 July-Aug.	272 0 0 July-Aug.	274 0 0 July-Aug.	283 0 0 July-Aug.	276 0 0 July-Aug.	266 0 0 July-Aug.	255 0 0 July-Aug.	255 0 0 July-Aug.	242 0 0 July-Aug.	261 0 0 July-Aug.	259 0 0 July-Aug.	262 0 0 July-Aug.	263 0 0 July-Aug.	255 0 0 July-Aug.	222 0 0 July-Aug.	209 0 0 July-Aug.	209 0 0 Apr.-May 1941.	198 0 0 Apr.-May 1941.	192 0 0 Apr.-May 1941.	
SEEDS AND WHEAT.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.
Cotton seed (per cwt.)	Rs. a. p. 3 13 0	Rs. a. p. 3 13 0	Rs. a. p. 3 13 0	Rs. a. p. 3 12 0	Rs. a. p. 3 11 0	Rs. a. p. 3 11 0	Rs. a. p. 3 10 0	Rs. a. p. 3 10 0	Rs. a. p. 3 11 0	Rs. a. p. 3 11 0	Rs. a. p. 3 11 0	Rs. a. p. 3 10 0	Rs. a. p. 3 10 0	Rs. a. p. 3 8 0	Rs. a. p. 3 10 0	Rs. a. p. 3 10 0	Rs. a. p. 3 10 0	Rs. a. p. 3 10 0	Rs. a. p. 3 10 0	Rs. a. p. 3 10 0	Rs. a. p. 3 10 0	Rs. a. p. 3 9 0	Rs. a. p. 3 9 0	Rs. a. p. 3 9 0
Gingelly seed, White Bold, 85 per cent. (")	9 2 0	9 8 0	9 10 0	9 8 0	9 4 0	9 2 0	8 14 0	8 14 0	9 12 0	9 12 0	10 0 0	9 12 0	9 14 0	9 8 0	9 14 0	9 14 0	9 14 0	9 14 0	9 14 0	9 12 0	9 14 0	9 14 0	9 12 0	9 12 0	9 12 0
Linseed, Bold (")	11 3 0	11 7 0	10 14 0	10 4 0	9 7 0	9 8 0	8 10 6	8 7 0	9 9 6	9 8 6	9 4 0	9 0 6	9 3 0	9 0 6	9 12 0	9 14 0	9 14 0	9 14 0	10 0 6	9 7 0	9 7 0	8 13 0	8 8 6	8 7 0	7 11 6
" Small seed (")	10 14 0	10 8 0	10 14 0	9 4 0	8 15 0	8 14 0	8 5 0	8 1 0	8 10 6	8 8 6	8 11 6	8 10 6	8 11 0	8 14 0	9 5 0	9 2 0	9 6 0	9 7 0	9 10 6	9 1 6	8 10 0	8 5 6	8 3 0		
Rape seed, Guzerat, Yellow (")	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
" Brown, Delhi (")	10 0 0 Nom.	8 8 0 Nom.	8 0 0 Nom.	8 0 0 Nom.	7 8 0 Nom.	7 8 0 Nom.	7 8 0 Nom.	7 8 0 Nom.	7 8 0 Nom.	8 0 0 Nom.	7 12 0 Nom.	7 12 0 Nom.	7 12 0 Nom.	7 8 0 Nom.	7 8 0 Nom.	7 8 0 Nom.	8 0 0 Nom.	7 12 0 Nom.	7 12 0 Nom.	7 12 0 Nom.	7 4 0 Nom.	7 0 0 Nom.	7 0 0 Nom.	7 0 0 Nom.
" " Cawnpore (")	10 0 0 "	8 8 0 "	8 0 0 "	8 0 0 "	7 8 0 "	7 8 0 "	7 8 0 "	7 8 0 "	7 8 0 "	8 0 0 "	7 12 0 "	7 12 0 "	7 12 0 "	7 8 0 "	7 8 0 "	7 8 0 "	8 0 0 "	7 12 0 "	7 12 0 "	7 12 0 "	7 8 0 "	7 0 0 "	7 0 0 "	7 0 0 "
	10 8 0	9 0 0	9 0 0	8 8 0	8 0 0	8 0 0	8 0 0	8 0 0	8 0 0	8 0 0	8 0 0	8 0 0	8 0 0	8 0 0	8 0 0	8 0 0	8 0 0	8 0 0	8 0 0	8 0 0	7 12 0	7 12 0	7 12 0	7 12 0

Current Quotations as estimated by the Committee of the Bombay Chamber of Commerce during the year 1940.

NS.	Week ending 5th January 1940.	Week ending 12th January 1940.	Week ending 19th January 1940.	Week ending 26th January 1940.	Week ending 2nd February 1940.	Week ending 9th February 1940.	Week ending 16th February 1940.	Week ending 23rd February 1940.	Week ending 1st March 1940.	Week ending 8th March 1940.	Week ending 15th March 1940.	Week ending 20th March 1940.	Week ending 29th March 1940.	Week ending 5th April 1940.	Week ending 12th April 1940.	Week ending 19th April 1940.	Week ending 26th April 1940.	Week ending 3rd May 1940.	Week ending 10th May 1940.	Week ending 17th May 1940.	Week ending 24th May 1940.	Week ending 31st May 1940.	Week ending 7th June 1940.	Week ending 14th June 1940.	Week ending 21st June 1940.	Week ending 28th June 1940.
E.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.
Transfer	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.
Sight	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.	ls. 5 31/32d.
"	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
"	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
"	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
Sight	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.
"	ls. 6 $\frac{9}{32}$d.	ls. 6 $\frac{9}{32}$d.	ls. 6 $\frac{9}{32}$d.	ls. 6 $\frac{9}{32}$d.	ls. 6 $\frac{9}{32}$d.	ls. 6 $\frac{9}{32}$d.	ls. 6 $\frac{9}{32}$d.	ls. 6 $\frac{9}{32}$d.	ls. 6 $\frac{9}{32}$d.	ls. 6 $\frac{9}{32}$d.	ls. 6 9/32d.	ls. 6 9/32d.	ls. 6 9/32d.	ls. 6 9/32d.	ls. 6 9/32d.	ls. 6 9/32d.	ls. 6 9/32d.	ls. 6 9/32d.	ls. 6 9/32d.	ls. 6 9/32d.	ls. 6 9/32d.	ls. 6 9/32d.	ls. 6 9/32d.	ls. 6 9/32d. Banks Buying.	ls. 6 9/32d. Banks Buying.	ls. 6 9/32d.
"	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
Sight	1340	1340	1340	1340	1340	1340	1345	1345	1350	1350	1350	1350	1350	1350	1350	1350	1350	1350	1350	1350	1350	1350	1350	1350	Not available.	Not available.	
"	1360	1360	1360	1360	1360	1365	1365	1365	1370	1370	1360	1360	1370	1370	1370	1370	1370	1370	1370	1370	1370	1370	1365	1370	1370		
	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/32	100 1/16	100 1/16	100 1/16
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
r 100 Yens)	78 10 0	78 4 0	77 14 0	77 8 0	77 14 0	77 8 0	78 2 0	77 12 0	78 8 0	78 2 0	83 0 0	82 4 0	85 12 0	86 6 0	86 10 0	87 14 0	87 14 0	88 8 0	92 6 0	94 4 0	96 6 0	96 6 0	82 10 0	82 4 0	86 0 0	75 12 0	
	41 13 9	42 1 3	42 4 0	42 4 6	42 4 9	42 6 6	42 6 3	42 6 6	42 9 6	42 10 6	42 11 9	42 7 6	42 8 6	42 7 0	42 8 0	42 8 0	42 9 6	42 8 3	42 9 3	45 9 0	45 13 6	44 11 0	43 12 0	44 13 0	43 8 0	41 6 0	
	26 12 0	26 14 0	27 0 0	26 15 6	27 1 0	27 3 0	27 3 9	27 6 6	27 9 3	27 12 0	27 9 6	27 7 6	27 8 0	27 6 0	27 7 6	27 7 6	27 8 6	27 9 6	27 10 6	29 14 0	30 12 0	30 0 0	29 10 0	30 4 0	29 6 6	28 3 0	
	61 1 0	60 9 0	59 13 0	57 12 0	56 13 0	56 14 0	56 2 0	56 9 0	58 1 0	59 5 0	57 14 0	56 10 6	57 2 0	56 1 0	58 8 0	58 2 0	58 13 0	60 0 0	59 15 0	63 8 0	62 7 0	62 2 0	62 0 0	63 7 0	61 15 0	61 9 0	
	61 6 0	60 9 0	59 13 0	57 14 0	57 1 0	56 7 0	54 10 0	55 8 0	58 7 0	59 11 0	58 3 0	57 0 0	57 8 0	56 9 0	58 12 0	58 6 0	59 3 0	60 5 0	60 3 0	62 11 0	62 10 0	62 9 0	62 0 0	63 6 6	61 14 0	61 8 0	
COUNT.																										
60 days' Sight	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	3½ per cent.	
on Government Securities	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	
Government Paper	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	3½ "	
	Steady.	Steady.	Steady.	Quieter.	Steady.	Quiet.	Easy.	Steady.	Steady.	Steady.	Steady.	Steady.	Steady.	Steady.	Quiet.	Quiet.	Quiet.	Easy.	Very easy.	Quiet.	Easy.	Quiet.	Quiet.	Quiet.	Quiet.	Quiet.	
CURITIES.																										
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
	87 12 0	88 2 0	89 14 0	92 2 0	90 10 0	90 12 0	91 3 0	91 8 0	93 0 0	94 5 0	94 3 0	94 0 0	94 11 0	95 2 0	93 12 0	94 4 0	94 11 0	94 14 0	95 0 0	90 10 0	88 4 0	88 10 0	90 8 0	88 12 0	86 12 0	87 4 0	
	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	
	103 0 0	103 9 0	104 0 0	106 2 0	105 12 0	105 10 0	105 11 0	105 14 0	107 2 0	108 4 0	108 4 0	108 1 0	108 3 0	108 6 0	107 12 0	108 2 0	108 8 0	108 10 0	109 0 0	106 0 0	103 10 0	103 4 0	103 6 0	102 8 0	100 0 0	99 0 0	
	110 4 0	110 2 0	110 3 0	110 6 0	110 10 0	110 11 0	110 11 0	111 3 0	112 7 0	112 6 0	112 3 0	111 13 0	111 14 0	111 15 0	111 6 0	111 10 0	112 1 0	112 1 0	112 4 0	110 0 0	107 4 0	107 2 0	107 12 0	107 4 0	105 14 0	106 8 0	
London	Nil.	....	....	....	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	2,48,800 0 0	6,000 0 0	Nil.	Nil.	Nil.	Nil.	Nil.	25,900 0 0	18,700 0 0	4,900 0 0	Nil.
to Bombay	14,600 0 0	6,000 0 0	....	....	Nil.	Nil.	Nil.	Nil.	Nil.	10,000 0 0	6,000 0 0	18,100 0 0	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	
	Quiet with no enquiry.	Dull with no demand.	Continues dull with no enquiry.	Steady, moderate enquiry.	Dull with little or no enquiry.	Continues dull.	Unchanged.	Dull owing to poor offtake.	Improving with small enquiry.	Steady with moderate enquiry.	More active with better enquiry.	Active and firm.	Steady, small enquiry.	Steady, fair enquiries.	Steady, enquiries moderate.	Steady with fair enquiry.	Firm with fair enquiry.	Quiet with small enquiry.	Prices rising with better enquiry.	Prices firm with rising tendency.	Quiet, prices firm.	Prices firm, small enquiries.	Quiet, prices steady.	Dull, prices unsteady, poor enquiry.	Dull, with no enquiry.	Dull, with little enquiry.	
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	
iyards (per piece)	11 8 0	11 0 0	11 0 0	10 10 0	10 10 0	10 14 0	10 12 0	11 12 0	11 0 0	11 9 0	10 14 0	10 12 0	10 10 0	10 8 0	11 0 0	11 0 0	11 0 0	11 0 0	11 4 0	11 4 0	11 0 0	10 14 0	10 12 0	10 12 0	10 8 0	10 8 0	
rds ( )	11 8 0	11 14 0	11 13 6	11 8 0	11 6 0	11 10 0	11 11 0	11 8 0	11 13 6	11 11 0	11 11 0	11 7 0	11 7 0	11 4 0	11 9 0	11 13 6	11 12 0	11 12 0	11 14 6	12 2 0	11 13 6	11 10 0	11 10 6	11 7 0	11 6 0	11 6 0	
(per lb.)	0 13 9	0 13 6	0 13 6	0 13 6	0 13 6	0 12 6	0 12 3	0 13 0	0 13 0	0 12 6	0 12 9	0 12 9	0 13 0	0 12 9	0 13 6	0 13 6	0 13 6	0 13 6	0 13 6	0 13 6	0 13 6	0 13 6	0 13 3	0 13 0	0 12 6	0 12 3	
(per cwt.)	95 0 0	90 0 0	88 0 0	79 0 0	76 0 0	80 0 0	75 0 0	72 0 0	77 0 0	75 0 0	71 8 0	72 0 0	75 0 0	74 0 0	77 0 0	78 8 0	80 0 0	82 0 0	82 8 0	83 4 0	81 0 0	75 0 0	73 8 0	70 0 0	63 0 0	
(")	60 0 0	63 0 0	58 0 0	58 0 0	57 0 0	57 0 0	57 0 0	57 0 0	57 0 0	58 0 0	55 0 0	58 0 0	57 0 0	59 0 0	60 0 0	59 0 0	60 0 0	61 0 0	62 0 0	62 0 0	62 0 0	62 0 0	62 0 0	62 0 0	58 0 0	58 0 0	
(")	10 0 0	10 8 0	10 4 0	10 0 0	10 0 0	9 12 0	9 12 0	9 12 0	10 0 0	9 10 0	9 8 0	9 4 0	9 4 0	9 2 0	9 6 0	9 6 0	9 14 0	9 12 0	10 12 0	11 0 0	10 8 0	10 8 0	10 8 0	10 8 0	10 8 0	9 12 0	
(")	12 0 0	12 0 0	11 8 0	11 8 0	11 8 0	11 8 0	11 8 0	11 12 0	11 8 0	11 8 0	11 8 0	11 4 0	11 4 0	11 4 0	11 8 0	11 8 0	12 0 0	12 0 0	12 4 0	12 0 0	12 0 0	12 0 0	12 0 0	12 4 0	11 12 0	11 4 0	
(")	15 8 0	15 8 0	15 8 0	15 4 0	15 4 0	15 2 0	14 12 0	15 0 0	15 8 0	15 0 0	14 8 0	14 0 0	14 0 0	14 0 0	14 0 0	14 4 0	14 8 0	14 8 0	14 9 0	14 8 0	14 2 0	14 2 0	14 0 0	14 0 0	14 0 0	14 0 0	
r cwt. ex. Godown	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	
.O. quality (per cwt. ex. Godown)	19 7 0	19 0 0	18 14 0	18 10 0	18 6 0	18 4 0	18 6 0	18 0 0	18 4 0	18 4 0	18 6 0	17 14 0	18 4 0	18 8 0	18 6 0	18 6 0	18 6 0	18 8 0	18 10 0	19 0 0	19 6 0	19 6 0	18 12 0	18 14 0	18 12 0	18 12 0	
m)	18 8 0 to 19 3 0	18 4 0 to 18 14 0	18 1 to 18 10 0	17 12 0 to 18 3 0	17 12 0 to 18 3 0	17 12 0 to 18 3 0	17 14 0 to 18 4 0	17 10 0 to 18 0 0	17 14 0 to 18 4 0	17 12 0 to 18 0 0	17 10 0 to 18 2 0	17 8 0 to 17 12 0	17 10 0 to 18 2 0	17 15 0 to 18 8 0	17 15 0 to 18 6 0	18 1 0 to 18 8 0	17 12 0 to 18 4 0	17 12 0 to 18 4 0	17-14 to 18-6	18-0 to 18-10	18-2 to 18-12	17-15 to 18-11	17-10 to 18-9	17-12 to 18-10	17-10 to 18-10	17-4 to 18-2	
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	
(per ton)	5 0 0	5 0 0	5 0 0	4 12 0	4 12 0	4 12 0	4 12 0	4 12 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	
(")	5 0 0	5 0 0	5 0 0	4 12 0	4 12 0	4 12 0	4 12 0	4 12 0	4 8 0	4 8 0	4 8 0	4 8 0	4 8 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	4 4 0	
(")	3 8 0	3 8 0	3 4 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0	3 0 0	
(")	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 8 0	5 6 0	5 6 0	5 6 0	5 6 0	5 4 0	5 4 0	5 4 0	5 4 0	5 4 0	5 4 0	5 4 0	5 8 0		
78.																										
)																										
	Steady.	Uncertain.	Weak.	Weak.	Steady.	Steady.	Quiet.	Steady.	Steady.	Quiet and uncertain.	Fairly steady.	Uncertain.	Weak.	Quiet but steady.	Steady.	Steady.	Steady.	Fairly steady.	Weak.	Nervous.	Nervous.	Steady.	Steady.	Weak.	Weak.	Quietly steady.
F. G.	Rs. a. p. 236 0 0 Spot.	Rs. a. p. 223 0 0 Spot.	Rs. a. p. 215 0 0 Spot.	Rs. a. p. 205 0 0 Dec. Jan.	Rs. a. p. 198 0 0 Spot.	Rs. a. p. 199 0 0 Spot.	Rs. a. p. 197 0 0 Spot.	Rs. a. p. 199 0 0 Spot.	Rs. a. p. 204 5 0 Spot.	Rs. a. p. 199 0 0 Spot.	Rs. a. p. 196 0 0 Spot.	Rs. a. p. 188 0 0 Mar.	Rs. a. p. 189 0 0 Spot.	Rs. a. p. 185 0 0 Spot.	Rs. a. p. 201 0 0 Spot.	Rs. a. p. 199 0 0 Spot.	Rs. a. p. 207 0 0 Spot.	Rs. a. p. 203 0 0 Spot.	Rs. a. p. 194 0 0 Spot.	Rs. a. p. 161 0 0 Spot.	Rs. a. p. 136 0 0 Spot.	Rs. a. p. 129 0 0 Spot.	Rs. a. p. 125 0 0 Spot.	Rs. a. p. 120 0 0 Spot.	Rs. a. p. 122 0 0 Spot.	Rs. a. p. 123 0 0 Spot.
F. G.	234 0 0 Dec. Jan.	221 0 0 Dec. Jan.	213 0 0 Dec. Jan.	207 0 0 March	198 0 0 March	199 0 0 March	197 0 0 Mar.	199 0 0 Mar.	204 0 0 Mar.	199 0 0 Mar.	195 0 0 Mar.	188 0 0 May.	188 0 0 May.	184 0 0 May.	200 0 0 May.	198 0 0 May.	206 0 0 May.	203 0 0 May.	194 0 0 May.	160 0 0 May.	135 0 0 May.	133 0 0 July.	128 0 0 July.	122 0 0 July.	122 0 0 July.	121 0 0 July.
F. G.	237 0 0 Mar.	225 0 0 March	216 0 0 March	210 0 0 March	201 0 0 May	202 0 0 May	200 0 0 May.	202 0 0 May.	207 0 0 May.	202 0 0 May.	197 0 0 May.	190 0 0 July.	190 0 0 July.	186 0 0 July.	202 0 0 July.	200 0 0 July.	206 0 0 July.	202 0 0 July.	194 0 0 July.	163 0 0 July.	140 0 0 July.	145 0 0 Dec. Jan. 1941.	138 0 0 Dec. Jan. 1941.	133 0 0 Dec. Jan. 1941.	133 0 0 Dec. Jan. 1941.	132 0 0 Dec. Jan. 1941.	
Fine	292 0 0 Spot.	274 0 0 Spot.	263 0 0 Spot.	247 0 0 Dec. Jan.	239 0 0 Spot.	238 0 0 Spot.	234 0 0 Spot.	237 0 0 Spot.	243 0 0 Spot.	238 0 0 Spot.	231 0 0 Spot.	223 0 0 Mar.	223 0 0 Spot.	216 0 0 Spot.	235 0 0 Spot.	234 0 0 Spot.	238 0 0 Spot.	238 0 0 Spot.	232 0 0 Spot.	198 0 0 Spot.	171 0 0 Spot.	162 0 0 Spot.	154 0 0 Spot.	145 0 0 Spot.	150 0 0 Spot.	148 0 0 Spot.	
Fine	289 0 0 Dec. Jan.	271 0 0 Dec. Jan.	261 0 0 Dec. Jan.	253 0 0 March	239 0 0 March	238 0 0 March	234 0 0 Mar.	237 0 0 Mar.	242 0 0 Mar.	237 0 0 Mar.	230 0 0 Mar.	223 0 0 May.	223 0 0 May.	215 0 0 May.	234 0 0 May.	233 0 0 May.	237 0 0 May.	237 0 0 May.	230 0 0 May.	196 0 0 May.	170 0 0 May.	167 0 0 July.	156 0 0 July.	147 0 0 July.	160 0 0 July.	148 0 0 July.	
Fine	293 0 0 March	275 0 0 March	262 0 0 March	253 0 0 May	242 0 0 May	242 0 0 May	237 0 0 May.	241 0 0 May.	246 0 0 May.	241 0 0 May.	234 0 0 May.	227 0 0 July.	228 0 0 July.	219 0 0 July.	238 0 0 July.	238 0 0 July.	242 0 0 July.	242 0 0 July.	233 0 0 July.	199 0 0 July.	176 0 0 July.	181 0 0 Dec. Jan. 1941.	170 0 0 Dec. Jan. 1941.	165 0 0 Dec. Jan. 1941.	166 0 0 Dec. Jan. 1941.	164 0 0 Dec. Jan. 1941.	
F. G.	331 0 0 Apr. May	308 0 0 Apr. May	290 0 0 Apr. May	278 0 0 Spot.	265 0 0 Spot.	265 0 0 Spot.	261 0 0 Spot.	264 0 0 Spot.	273 0 0 Spot.	265 0 0 Spot.	256 0 0 Spot.	244 0 0 Spot.	243 0 0 Spot.	232 0 0 Spot.	252 0 0 Spot.	252 0 0 Spot.	257 0 0 Spot.	259 0 0 Spot.	261 0 0 Spot.	220 0 0 Spot.	193 0 0 Spot.	185 0 0 Spot.	175 0 0 Spot.	168 0 0 Spot.	169 0 0 Spot.	164 0 0 Spot.	
F. G.	338 0 0 July Aug.	316 0 0 July Aug.	300 0 0 July Aug.	279 0 0 Apr. May	268 0 0 Apr. May	268 0 0 Apr. May	263 0 0 Apr. May	266 0 0 Apr. May.	275 0 0 Apr. May.	267 0 0 Apr. May.	257 0 0 Apr. May.	244 0 0 Apr. May.	243 0 0 Apr. May.	231 0 0 Apr. May.	250 0 0 Apr. May.	250 0 0 Apr. May.	255 0 0 Apr. May.	257 0 0 Apr. May.	249 0 0 Apr. May.	218 0 0 Apr. May.	192 0 0 April-May.	191 0 0 July Aug.	178 0 0 July Aug.	170 0 0 July Aug.	169 0 0 July Aug.	164 0 0 July Aug.	
F. G.	289 0 0 July Aug.	276 0 0 July Aug.	277 0 0 July Aug.	272 0 0 July Aug.	274 0 0 July Aug.	273 0 0 July Aug.	266 0 0 July Aug.	255 0 0 July Aug.	255 0 0 July Aug.	242 0 0 July Aug.	261 0 0 July Aug.	259 0 0 July Aug.	262 0 0 July Aug.	263 0 0 July Aug.	255 0 0 July Aug.	222 0 0 July Aug.	209 0 0 Apr. May 1941.	198 0 0 Apr. May 1941.	192 0 0 Apr. May 1941.	200 0 0 April-May. July-Aug.	189 0 0 Apr. May 1941.						
WHEAT.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	
(per cwt.)	Rs. a. p. 3 13 0	Rs. a. p. 3 13 0	Rs. a. p. 3 13 0	Rs. a. p. 3 11 0	Rs. a. p. 3 11 0	Rs. a. p. 3 11 0	Rs. a. p. 3 10 0	Rs. a. p. 3 10 0	Rs. a. p. 3 11 0	Rs. a. p. 3 11 0	Rs. a. p. 3 11 0	Rs. a. p. 3 10 0	Rs. a. p. 3 10 0	Rs. a. p. 3 8 0	Rs. a. p. 3 10 0	Rs. a. p. 3 10 0	Rs. a. p. 3 10 0	Rs. a. p. 3 10 0	Rs. a. p. 3 10 0	Rs. a. p. 3 10 0	Rs. a. p. 3 9 0	Rs. a. p. 3 9 0	Rs. a. p. 3 9 0	Rs. a. p. 3 9 0	Rs. a. p. 3 9 0	Rs. a. p. 3 10 0	
(")	9 2 0	9 8 0	9 10 0	9 8 0	9 4 0	9 2 0	8 14 0	8 14 0	9 2 6	9 12 0	9 0 6	9 3 0	9 11 0	9 10 0	9 14 0	9 14 0	9 14 0	9 14 0	9 14 0	9 12 0	9 8 0	9 14 0	9 12 0	9 12 0	9 10 0	9 10 0	9 10 0	
(")	11 7 0	11 7 0	10 14 0	10 14 0	9 7 6	9 6 6	8 10 6	8 7 0	9 2 6	9 8 6	9 4 0	9 0 6	9 3 0	9 8 0	9 12 0	9 12 0	9 14 0	9 14 0	10 0 6	9 7 0	8 13 0	8 14 0	8 8 6	7 12 6	6 14 0	6 14 0	6 12 0	
(")	10 14 0	10 8 0	10 0 0	9 4 0	8 15 0	9 8 14	8 5 0	8 1 0	8 10 6	8 8 6	8 11 6	8 10 6	8 11 0	8 14 0	9 5 0	9 2 0	9 6 0	9 7 0	9 10 6	9 1 6	8 10 0	8 5 6	8 3 0	7 11 6	6 14 0	6 11 0	
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(")	10 0 0 Nom.	8 8 0 Nom.	8 0 0 Nom.	8 0 0 Nom.	7 8 0 Nom.	7 8 0 Nom.	7 8 0 Nom.	7 8 0 Nom.	8 0 0 Nom.	8 0 0 Nom.	7 12 0 Nom.	7 12 0 Nom.	7 12 0 Nom.	7 8 0 Nom.	7 8 0 Nom.	7 8 0 Nom.	8 0 0 Nom.	7 12 0 Nom.	7 8 0 Nom.	7 4 0 Nom.	7 0 0 Nom.	7 0 0 Nom.	7 0 0 Nom.	7 0 0 Nom.	7 0 0 Nom.	7 0 0 Nom.	
(")	10 0 0 "	8 8 0 "	8 0 0 "	8 0 0 "	7 8 0 "	7 8 0 "	7 8 0 "	7 8 0 "	8 0 0 "	8 0 0 "	7 12 0 "	7 12 0 "	7 12 0 "	7 8 0 "	7 8 0 "	7 8 0 "	8 0 0 "	7 12 0 "	7 8 0 "	7 8 0 "	7 0 0 "	7 0 0 "	7 0 0 "	7 0 0 "	7 0 0 "	7 0 0 "	
(")	10 0 0 "	8 8 0 "	8 0 0 "	8 0 0 "	7 8 0 "	7 8 0 "	7 8 0 "	7 8 0 "	8 0 0 "	8 0 0 "	7 12 0 "	7 12 0 "	7 12 0 "	7 8 0 "	7 8 0 "	7 8 0 "	8 0 0 "	7 12 0 "	7 8 0 "	7 8 0 "	7 0 0 "	7 0 0 "	7 0 0 "	7 0 0 "	7 0 0 "	7 0 0 "	

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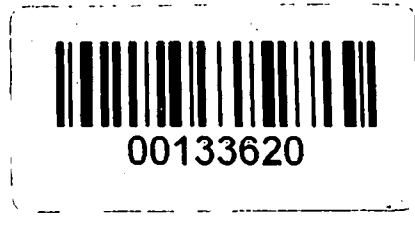

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